

TOWN OF MILLBURY, MASSACHUSETTS

Independent Accountants' Report On Applying
Agreed-Upon Procedures Over Compliance
Applicable To Massachusetts School Districts'
End-Of-Year Financial Report

For the Year Ended June 30, 2018

Additional Offices:

Nashua, NH
Manchester, NH
Greenfield, MA
Ellsworth, ME

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING
AGREED-UPON PROCEDURES OVER COMPLIANCE
APPLICABLE TO MASSACHUSETTS SCHOOL DISTRICTS'
END-OF-YEAR FINANCIAL REPORT

To the Board of Selectmen and School Committee
Town of Millbury, Massachusetts

We have performed the procedures enumerated below, which were agreed to by the management of the Town of Millbury, Massachusetts (the Town), solely to assist the Town and the Massachusetts Department of Elementary and Secondary Education (DESE) evaluate the Town's assertion that it has complied with the DESE requirements applicable to the preparation and filing of a Massachusetts School Districts' End-of-Year Financial Report. The Town's management is responsible for the End-of-Year Financial Report. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below for the purpose for which this report has been requested or for any other purpose.

We performed the procedures specified in the Massachusetts Department of Elementary and Secondary Education's Compliance Supplement for Massachusetts School Districts Agreed Upon Procedures Engagements to the End-of-Year Financial Report prepared by the Town of Millbury, Massachusetts for the fiscal year ended June 30, 2018. We have listed instances of noncompliance in the accompanying Schedule of Findings.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the End-of-Year Financial Report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Town and the DESE and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in cursive script that reads "Melanson Heath".

Melanson Heath
March 28, 2019

SCHEDULE OF FINDINGS

1. Report All Grant Revenues on Schedule 1

Applicable DESE Compliance Requirement: 2

DESE requires that revenue from state aid, federal grants, state grants, and revolving and special funds reported on Schedule 1 agree to the School Department's accounting ledger.

We found that \$54,000 of revenue related to the Activity Bus grant was not reported on Schedule 1. As such, Other State Grants, Line 590, Column 5, is understated by \$54,000.

Recommendation:

We understand an amendment has been filed to correct this issue.

Management's Response:

We have filed an amendment to correct this issue.

2. Properly Report Town Costs in Accordance with the Written Agreement

Applicable DESE Compliance Requirement: 11, 19

DESE requires that Town expenditures on behalf on the School be allocated on the End of Year Report based on a methodology that is included in a written agreement between the Town and the School.

We found that the Town and the School have an indirect costs agreement, however various elements were not reported in accordance with the methodology included in the written agreement.

Recommendation:

We recommend that the written agreement between the Town and School be updated and that all costs reported be in accordance with the agreement.

Management's Response:

The Town and School indirect costs agreement includes cumbersome calculations that, in our opinion, would result in inconsequential differences from the current amounts reported. We identify that the current indirect costs agreement can be updated to better promote a more efficient and streamlined approach to better facilitate End-of-Year reporting moving forward and plan to address this instance accordingly.