

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, 2019

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

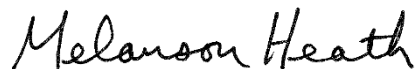
To the Board of Selectmen and School Committee
Town of Millbury, Massachusetts

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) in evaluating 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, 2019. 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 black ink that reads "Melanson Heath". The signature is written in a cursive, flowing style.

Melanson Heath
April 24, 2020

SCHEDULE OF FINDINGS

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

Applicable DESE Compliance Requirement: 11, 20

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

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

Recommendation:

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

2. Properly Report Special Education Grant Expenditures on Line 3930

Applicable DESE Compliance Requirement: 14

DESE requires that we ascertain the methodology used to allocate, distribute, or assign Special Education costs to the placements on Schedule 4 and review the propriety of the methodology. We are also required to test the amounts reported on Schedule 4 using the stated methodology. Further, DESE requires districts to only report functions 2000, 6800, and 9000 on line 3930.

We found that all Special Education grant expenditures were reported on Schedule 4, Line 3930. Consequently, Line 3930, Expenditures From Grants, Revolving Funds (Not CB), Column 2, was overstated by \$444,466.

Recommendation:

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

3. Properly Report Transportation Expenditures on Schedule 1 and 7

Applicable DESE Compliance Requirement: 15

DESE requires that we trace the transportation expenditures reported on Schedule 7 to the transportation expenditures reported on Schedule 1. These amounts should agree.

We found that transportation expenditures, originally charged to Circuit Breaker and subsequently adjusted, were not reported on Schedules 1 or 7. Schedule 1, Line 2930, Transportation Services, Column 12, was understated by \$46,532. Consequently, Schedule 7, Line 4320, Payments From Revolving and Special Funds, Column 3, was understated by the same amount.

Recommendation:

We understand that an amendment has been filed to correct these issues.