

TOWN OF CHELMSFORD, MASSACHUSETTS

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

YEAR ENDED JUNE 30, 2015

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

To the Honorable Board of Selectmen
and the School Committee
Town of Chelmsford, Massachusetts

We have performed the procedures specified in the Massachusetts Department of Elementary and Secondary Education's (DESE) Compliance Supplement applicable to Massachusetts School Districts to the End-of-Year Financial Report prepared by the Town of Chelmsford, Massachusetts (Town) for the year ended June 30, 2015. We performed these procedures solely to assist the Town and the 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 School District's management is responsible for preparing the End-of-Year Financial Report. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report.

Consequently, we make no representation regarding the sufficiency of the procedures specified in the Massachusetts Department of Elementary and Secondary Education's Compliance Supplement applicable to Massachusetts School Districts End-of-Year Financial Report for the purpose for which this report has been requested or for any other purpose.

We have listed noncompliance with agreed-upon procedures in the accompanying Schedule of Findings.

We were not engaged to and did not perform 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 use of the Town and the DESE and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Powers & Sullivan, LLC".

April 28, 2016

Finding #1 - General Requirement #1.A.a

General requirement #1.A.a requires verification of the accuracy and completeness of the financial information contained in the End-of-Year Financial Report (EOYR).

While completing this requirement, we reviewed Schedule 1, Part C2 – Expenditures from federal grants, state grants and special funds and noted that approximately \$135,000 of expenditures from federal grants (Teacher Quality, Title III and Title V, and Early Childhood grants) were reported as State Grant expenditures. These expenditures should have been reported as Federal Grant expenditures.

An amendment has been filed with DESE to correct this matter.

Finding #2 - Specific Requirement #9

Specific requirement #9 requires us to verify that expenditures charged to function 8100 and 8200 of Schedule 1 relate only to long term debt, and that the expenditures agree to the Treasurer's debt schedule support and accounting ledgers.

While completing this requirement, we noted that the District overstated expenditures charged to function 8100 by approximately \$124,000, and the District understated expenditures reported to function 8200 by approximately \$121,000.

An amendment has been filed with DESE to correct this matter.

Finding #3 - Specific Requirement #16

Specific Requirement #16 requires us to trace pupils reported on Schedule 7 to detailed transportation records maintained by the District. While completing this requirement we noted the following:

- We reviewed the detailed supporting documentation regarding the riders reported under special education, and we noted that line 4120 column 7 was understated by 32 riders, and line 4130 was overstated by 30 riders.

An amendment has been filed with DESE to correct this matter.

Other Matters; Lack of Timely Filing of the End-of-Year Financial Report

The End-of-Year Financial Report (EOYR) is designed to obtain data necessary for calculating state aid to school districts, reporting to the federal government, third-parties, and fulfilling the Massachusetts Department of Elementary and Secondary Education's (DESE) informational needs. The EOYR is required to be filed on or before September 30 of each year.

We noted that the District was awarded an extension through October 30, 2015, however the certification statement was not signed until December 22, 2015.