

CITY OF LAWRENCE, MASSACHUSETTS

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

YEAR ENDED JUNE 30, 2014

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

YEAR ENDED JUNE 30, 2014

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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 Mayor, City Council
and the School Committee
City of Lawrence, 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 City of Lawrence, Massachusetts (City) for the year ended June 30, 2014. We performed these procedures solely to assist the City and the DESE in evaluating the City'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 City 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.

April 22, 2015

Finding #1 – Specific Requirement #5

Specific requirement #5 requires us to trace the amount reported as extraordinary maintenance to supporting accounting records and verify that expenditures do not include salaries, principal portions of loads/debt or the cost of a lease purchase agreement, and that project costs do not exceed \$150,000.

We were not provided with sufficient information to conclude whether or not any of the costs exceed the \$150,000 per-project threshold.

Finding #2 - Specific Requirement #16

Specific requirement #16 requires us to trace the pupils reported on Schedule 7 to the detailed transportation records and to verify the accuracy and consistency of the amounts reported with the detailed records.

In completing this requirement, we noted that the District misplaced the number of Special Education students transported Outside the District into incorrect DOE function codes as follows:

DOE Function Code	<i>Special Ed. Students Transported Outside the District Per:</i>		<i>Difference</i>
	<i>FY14 End of Year Report</i>	<i>District Records</i>	
DOE32	-	1.00	(1.00)
DOE034-10, 20, & 40	-	3.00	(3.00)
DOE34-41	3.00	29.00	(26.00)
DOE34-50	29.00	52.00	(23.00)
DOE34-60	52.00	11.00	41.00
DOE34-70	11.00		11.00
DOE34-90	5.00	5.00	-

An amendment has been filed to correct this matter.

Finding #3 - Specific Requirement #18

Specific requirement #18 requires us to determine if reimbursable expenditures claimed on Lines 4283 (Homeless Transportation to Outside the District) and 4285 (Homeless Transportation from Outside the District) are supported by adequate documentation.

While completing this requirement, we noted that the District did not provide supporting documentation regarding expenditures reported on Lines 4283 and 4285. Also, The District did not provide us with a listing detailing the amount of homeless students transported To Outside the District on Line 4283, Column 6.

Department of Elementary and Secondary Education
End-of-Year Financial Report - Compliance Supplement Questionnaire
For the Year Ended June 30, 2014

1. Identify the accounting system used by the school department including the version.

Accounting System: MUNIS

Version: 10.5

2. Is the payroll system integrated with the accounting system? Yes ☒ No ☐

3. Is the District a municipal department? Yes ☒ No ☐

If yes, is the accounting system integrated with the City or Town's accounting system? Yes ☒ No ☐

If no, please identify the accounting system and version used by the City or Town.

Accounting System: _____

Version: _____

4. Does the accounting system permit the reporting of all school district expenditures, in accordance with DESE Guidelines, by the following:

Fund Yes ☒ No ☐

DESE Function Code Yes ☒ No ☐

Object Yes ☒ No ☐

Program Yes ☒ No ☐

Location Yes ☒ No ☐

5. Is a crosswalk used to allocate costs to the End-of-Year Report?

Payroll Yes ☐ No ☒

Non-Payroll Yes ☐ No ☒