

CITY OF SPRINGFIELD, MASSACHUSETTS

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

FISCAL YEAR ENDED JUNE 30, 2010

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100 Quannapowitt Parkway
Suite 101
Wakefield, MA 01880
T. 781-914-1700
F. 781-914-1701
www.powersandsullivan.com

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 Springfield, Massachusetts

We have performed the procedures specified in the Massachusetts Department of Elementary and Secondary Education's (ESE) Compliance Supplement applicable to Massachusetts School Districts to the End-of-Year Financial Report prepared by the City of Springfield, Massachusetts (City) for the fiscal year ended June 30, 2010. We performed these procedures solely to assist the City and ESE in evaluating the City's assertion that it has complied with the ESE 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 ESE 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.

Wakefield, Massachusetts
February 9, 2011

Finding #1 – Specific Requirement #9

Specific requirement #9 requires the identification of expenditures reported as long-term School Construction debt for principal (8100) and interest (8200), verification that bond anticipation notes are not included in these functions, and tracing the reported costs to the Treasurer's debt schedule and the detail in the accounting ledgers. While completing this requirement, we noted that the District reported the Fiscal 2011 principal and interest payments instead of the Fiscal 2010 principal and interest payments. As a result, principal payments reported on line 2130 and interest payments reported on line 2140 were overstated by approximately \$756,000 and \$293,000, respectively.

Finding #2 – Specific Requirement #11

Specific requirement #11 requires us to review the written agreement that documents the School Committee and Municipal Official's methodologies to be used when allocating, distributing or assigning municipal expenditures to the District, and to verify that the expenditures included in the EOYR are calculated in accordance with the methodologies contained in the agreement. In performing this procedure, we were not provided with a written agreement between the School Committee and Municipal Officials. As a result, we were unable to verify that the reported expenditures and cost allocations are in accordance with agreed upon methodologies between the School Committee and Municipal Officials.