

**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, 2013**

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100 Quannapowitt Parkway

Suite 101

Wakefield, MA 01880

T. 781-914-1700

F. 781-914-1701

[www.powersandsullivan.com](http://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 (DESE) 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, 2013. 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.

December 11, 2013

Specific Requirement #9

Specific requirement #9 requires verification that Massachusetts School Building Authority (MSBA) reimbursements are reported as school construction revenue on line 130 of the EOYR. While completing this requirement, we noted that \$15.8 million of contract assistance payments and \$50.2 million of progress payments were reported in accordance with DESE guidelines.

For progress payments, we are also required to verify that corresponding expenditures are reported as a purchase of land and buildings on line 2100 (function 7100, 7200). While completing this requirement, we noted that the District reported \$56.7 million of expenditures, which exceeded the reimbursements received by \$6.5 million. Per the DESE guidelines, School Districts should recognize school construction costs equal to the MSBA reimbursements received. The \$6.5 million overstatement was due to the District reporting the MSBA share of reimbursable expenditures incurred during the fiscal year as opposed to the reimbursements received.

An amendment has been filed with the DESE to correct this finding.