

**TOWNSHIP OF WEYMOUTH SCHOOL DISTRICT**

**Auditors' Management Report  
Administrative Findings  
Financial – Compliance – Performance**

**For the Fiscal Year Ended June 30, 2017**

**TOWNSHIP OF WEYMOUTH SCHOOL DISTRICT**

**Auditors' Management Report  
Administrative Findings  
Financial – Compliance – Performance**

**For the Fiscal Year Ended June 30, 2017**

**Township of Weymouth Board of Education  
County of Atlantic  
Dorothy, New Jersey**

**Tax ID Number 21-6000174**

# PREZIOSI • NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Honorable President and  
Members of the Board of Education  
Township of Weymouth School District  
County of Atlantic  
Dorothy, New Jersey

We have audited, in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Board of Education of the Township of Weymouth School District in the County of Atlantic for the year ended June 30, 2017, and have issued our report thereon dated November 17, 2017.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of the Township of Weymouth Board of Education's management, the New Jersey Department of Education and other state and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

**PREZIOSI • NICHOLSON & ASSOCIATES**  
Certified Public Accountants



James M. Preziosi  
Certified Public Accountant  
Public School Accountant No. CS 01141

November 17, 2017  
Millville, NJ

**TOWNSHIP OF WEYMOUTH SCHOOL DISTRICT**  
**Administrative Findings**  
**Financial - Compliance - Performance**

**SCOPE OF AUDIT**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and the Treasurer of School Moneys, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

Insurance

Insurance coverage was carried in the amounts as detailed on the Insurance Schedule (Exhibit J-20) contained in the district's CAFR.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-26, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Patricia Palmieri	Board Secretary/School Business Administrator	\$ 5,000.00
Debra D'Amore	Treasurer	\$ 200,000.00

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. No exceptions were identified.

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Payroll Account

The net salaries of all employees of the board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

The required certification of compliance with requirements for income tax on compensation of administrators to the NJ Department of Treasury was filed.

Reporting of employee compensation for income tax related purposes complied with federal or state regulations regarding the compensation which is required to be reported.

### Employee Position Control Roster

A review of the Position Control Roster found no inconsistencies between payroll records, employee benefit records, the general ledger accounts to where expenditures are posted and the Position Control Roster.

### Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable.

#### **Finding 2017-01**

An outstanding purchase order for services rendered was incorrectly recorded as an encumbrance.

#### **Recommendation 2017-01**

Purchase orders should be reviewed for proper classification as accounts payable or reserve for encumbrances based upon the receipt of goods or the time in which services are rendered.

### Travel

In accordance with internal control policy N.J.A.C. 6A:23A-6.13, the District has approved a board travel policy. No exceptions were noted in our study of compliance for travel expenses.

### Classification of Expenditures

#### A. General Classification

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-16.2(f) as part four test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. As a result of the procedures performed, a transaction error rate of 0.27% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

#### **Finding 2017-02**

The District misclassified the following expenditures:

- Advertising as Utilities (1 misclassification)
- Fuel as Supplies (1 misclassification)
- Supplies as Registration Fees (1 misclassification)

#### **Recommendation 2017-02**

The District should reference "The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition" for proper classifications required to be in compliance with NJAC 6A:23A-16.2(f).

#### B. Administrative Classifications

In addition to testing the general classification of expenditures, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, a transaction error rate of 0.0% was noted and no additional procedures were deemed necessary to test the propriety of administrative classifications.

### Business Administrator - Board Secretary's Records

Our review of the financial and accounting records maintained by the Business Administrator - Board Secretary disclosed the following items:

- Acknowledgement of the Board's receipt of the Board Secretary's monthly financial reports were included in the minutes.
- Budgetary line accounts were not over-expended during the year or at June 30<sup>th</sup>.
- Payments to vendors were made after receipt of goods.

### Treasurer's Records

The financial and accounting records maintained by the Treasurer were found to be in good condition.

All required reconciliation's were performed.

All cash receipts were promptly deposited.

The Treasurer's records were found to be in agreement with the records of the Board Secretary.

### Elementary and Secondary Education Act (E.S.E.A.)/Improving America's School Act (IASA) as reauthorized by the No Child Left Behind Act of 2001

The E.S.E.A./NCLB financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the projects under Titles I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

### Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the CAFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue Section of the CAFR. This section of the CAFR documents the financial position pertaining to the aforementioned special projects.

### T.P.A.F. Reimbursement

Our audit procedures included a test of the biweekly reimbursements filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

### T.P.A.F. Reimbursement to the State for Federal Salary Expenditures

The amount of expenditures charged to the current year for all federal awards to reimburse the State of New Jersey for the TPAF/FICA payments made by the State of New Jersey on-behalf of the District for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the grant liquidation period. The expenditure was reviewed and no exceptions were noted.

## **SCHOOL PURCHASING PROGRAMS**

### Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-4 states: Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law.

The board of education may, by resolution approved by a majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder, if the board of education finds that it has had prior negative experience with the bidder.

Effective July 1, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18-3(a) are \$40,000.00 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent) respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800.

The board of education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor's opinion should be sought before a commitment is made.

Based on the results of our examination, we did note several individual payments, contracts, or agreements that were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. My examination did reveal however, that the following purchases were made through the use of State contracts:

School Supplies

## **SCHOOL FOOD SERVICE**

The financial transactions and statistical records of the school food service fund were maintained in satisfactory condition. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit. No exceptions noted.

The cash disbursement records reflected expenditures for program related goods and services.

The district utilizes a food management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract were reviewed and audited. The FSMC contract includes a management fee and does not include an operating results provision.

Net cash resources did not exceed three months average expenditures.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

Time sheets were reviewed and labor costs verified. Payroll records were maintained on all School Food Services employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records. As part of the claims review process the Edit Check Worksheet was completed. Reimbursement claims were submitted/certified in a timely manner.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications on file, times the number of operating days. The free and reduced price meal and free milk policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications were completed and available for review.

Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Exhibits reflecting Child Nutrition Program Operations are included in the section entitled Enterprise Funds, Section G of the CAFR.

### **STUDENT BODY ACTIVITIES**

During our review, we found the student body activities records to be in satisfactory condition.

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

### **AFTER SCHOOL CARE**

The financial and accounting records maintained by the after school care program were found to be in good condition.

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

### **APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a test of information reported in the October 14, 2016 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, and low-income and bilingual. We also performed a review of the district procedures related to its completion. The information on the A.S.S.A. was compared to the district workpapers without exception. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

### **PUPIL TRANSPORTATION**

Our audit procedures included a test of on roll status reported in the 2016-2017 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.



## **FOLLOW-UP ON PRIOR YEAR FINDINGS**

In accordance with government auditing standards, our procedures included a review of all prior year recommendations including findings. The previous year audit finding has been corrected.

The District did not have any reports issued by the Office of Fiscal Accountability and Compliance (OFAC).

## **ACKNOWLEDGMENT**

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to the members of the audit team.

## **PREZIOSI • NICHOLSON & ASSOCIATES**

Certified Public Accountants

A handwritten signature in black ink that reads "James M. Preziosi". The signature is written in a cursive style with a large, stylized initial "J" and "P".

James M. Preziosi  
Certified Public Accountant  
Public School Accountant No. CS 01141

**TOWNSHIP OF WEYMOUTH SCHOOL DISTRICT**  
**Schedule of Audited Enrollments**  
**Application For State School Aid Summary**  
**Enrollment as of October 15, 2016**

	Application For State School Aid				Sample For Verification							
	Reported On A. S. A.		Reported On Workpapers		Errors		Sample Selected From Workpapers		Verified Per Registers On Roll		Errors Per Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool	15		15				10		10			
Full Day Preschool	18		18				12		12			
Half Day Kindergarten	19		19				13		13			
Full Day Kindergarten	13		13				9		9			
One	13		13				9		9			
Two	11		11				7		7			
Three	16		16				11		11			
Four	9		9				6		6			
Five	9		9				6		6			
Six	8		8				5		5			
Seven												
Eight												
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR)												
Adult H.S. (1-14CR)												
<b>Subtotal</b>	<b>131</b>	<b>0</b>	<b>131</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>88</b>	<b>0</b>	<b>88</b>	<b>0</b>	<b>0</b>	<b>0</b>
Special Ed - Elementary	15		15				10		10			
Special Ed - Middle School	9		9				6		6			
Special Ed - High School												
<b>Subtotal</b>	<b>24</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>
Sent to CSSD												
Co. Voc. - Post Sec												
<b>Subtotal</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>155</b>	<b>0</b>	<b>155</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>104</b>	<b>0</b>	<b>104</b>	<b>0</b>	<b>0</b>	<b>0</b>
Percentage Error					0.00%					0.00%		0.00%

**TOWNSHIP OF WEYMOUTH SCHOOL DISTRICT**  
**Schedule of Audited Enrollments**  
**Application For State School Aid Summary**  
**Enrollment as of October 15, 2016**

	Private Schools For Disabled			Resident Low Income		Sample For Verification			
	Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors	Reported On A.S.S.A. as Low Income	Reported Workpaper as Low Income	Sample Selected From Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool									
Full Day Preschool									
Half Day Kindergarten									
Full Day Kindergarten									
One					9	9	9	9	9
Two					6	5	4	4	4
Three					8	7	7	7	7
Four					9	8	8	8	8
Five					7	6	6	6	6
Six					7	4	4	4	4
Seven					6	5	1	1	1
Eight					3	3	1	1	1
Nine					3	3	1	1	1
Ten									
Eleven									
Twelve									
Post-Graduate									
Adult H.S. (15+CR)									
Adult H.S. (1-14CR)									
Subtotal	0	0	0	0	58	50	41	41	0
Special Ed - Elementary									
Special Ed - Middle School					11	11	4	4	4
Special Ed - High School					6	6	4	4	4
Subtotal	0	0	0	0	17	17	8	8	0
Co. Voc. - Regular									
Co. Voc. - Post Sec									
Subtotal	0	0	0	0	0	0	0	0	0
Totals	0	0	0	0	75	67	49	49	0
Percentage Error				0.00%					0.00%

**TOWNSHIP OF WEYMOUTH SCHOOL DISTRICT**  
**Schedule of Audited Enrollments**  
**Application For State School Aid Summary**  
**Enrollment as of October 15, 2016**

	Resident LEP Low Income			Sample For Verification			Resident LEP NOT Low Income			Sample For Verification		
	Reported On A.S.A. as LEP Low Income	Reported On Workpapers as LEP Low Income	Errors	Sample Selected From Workpapers	Sample Verified	Sample Errors	Reported On A.S.A. as NOT Low Income	Reported Workpaper as NOT Low Income	Errors	Sample Selected From Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten												
One												
Two												
Three												
Four												
Five												
Six												
Seven												
Eight												
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR)												
Adult H.S. (1-14CR)												
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0
Special Ed - Elementary												
Special Ed - Middle School												
Special Ed - High School												
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0
Co. Voc. - Regular												
Co. Voc. - Post Sec												
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0
Totals	0	0	0	0	0	0	0	0	0	0	0	0
Percentage Error												

**TOWNSHIP OF WEYMOUTH SCHOOL DISTRICT**  
**Schedule of Audited Enrollments**  
**Application For State School Aid Summary**  
**Enrollment as of October 15, 2016**

Transportation

	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	154	154		80	80	
Transported - Non-Public						
AIL Non-Public Schools	21	21		10	10	
Regular Special Education	14	14		10	10	
Special Education Special Needs	20	20		10	10	
<b>Totals</b>	<b>209</b>	<b>209</b>	<b>0</b>	<b>110</b>	<b>110</b>	<b>0</b>
<b>Percentage Error</b>			<b>0.00%</b>			<b>0.00%</b>

	Reported	Recalculated
Average Mile		
Regular Including Grade PK Students	8.30	8.30
Regular Excluding Grade PK Students	8.50	8.50
Special Education With Special Needs	11.20	11.20

**TOWNSHIP OF WEYMOUTH SCHOOL DISTRICT**  
**EXCESS SURPLUS CALCULATION**  
**2% Calculation of Excess Surplus**  
**For The Fiscal Year Ended June 30, 2017**

Total General Fund Expenditures	\$	4,617,106.13	
Increased By			
Transfer from Capital Reserve to Capital Projects		-	
Transfer from General Fund to Special Revenue Fund		44,360.00	
Decreased By			
On-Behalf State Aid Payments		(349,404.33)	
Assets Acquired Under Capital Leases		-	
Adjusted General Fund Expenditures		4,312,061.80	
Applicable Excess Surplus Percentage		2.00%	
Subtotal	(A)	\$ 86,241.24	
Greater of (A) or \$250,000.00	\$	250,000.00	
Increased By			
Additional Nonpublic Transportation Aid			
Additional Nonpublic Extraordinary Aid			
Maximum Unreserved/Unassigned Fund Balance	\$		250,000.00
Total General Fund Balance - June 30, 2017	\$	1,309,577.88	
Decreased By			
Restricted Balances			
Capital		(401,535.27)	
Maintenance		(155,000.00)	
Excess Surplus - Designated for Subsequent Year's Expenditure		(54,244.09)	
Assigned Balances			
Designated for Subsequent Year's Expenditures		(19,633.91)	
Encumbrances		(306,900.61)	
Total Undesignated Fund Balance			372,264.00
Restricted Fund Balance - Excess Surplus			\$ 122,264.00
<b>Recapitulation of Excess Surplus</b>			
June 30, 2016 Reserved Excess Surplus Designated for Subsequent Year's Expenditures	\$		54,244.09
June 30, 2017 Reserved Excess Surplus			122,264.00
Total Excess Surplus	\$		176,508.09

**TOWNSHIP OF WEYMOUTH SCHOOL DISTRICT**  
**Administrative Findings**  
**Financial - Compliance - Performance**

**SUMMARY OF AUDIT RECOMMENDATIONS**  
**For the Fiscal Year Ended June 30, 2017**

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

None

**FINANCIAL PLANNING – ACCOUNTING AND REPORTING**

**Recommendation 2017-01**

Purchase orders should be reviewed for proper classification as accounts payable or reserve for encumbrances based upon the receipt of goods or the time in which services are rendered.

**Recommendation 2017-02**

The District should reference "The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition" for proper classifications required to be in compliance with NJAC 6A:23A-16.2(f).

**SCHOOL PURCHASING PROGRAM**

None

**SCHOOL FOOD SERVICE**

None

**STUDENT BODY ACTIVITIES**

None

**APPLICATION FOR STATE SCHOOL AID**

None

**TRANSPORTATION**

None

**MISCELLANEOUS**

None

A corrective action plan, which outlines actions the Board of Education will take to correct any findings that are listed above, will be prepared in accordance with federal and state agency requirements. A copy of the corrective action will be placed on file and made available for public inspection in the Office of the Board Secretary.