

TOWN OF WEYMOUTH

Single Audit in Accordance with OMB A-133

June 30, 2008

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Single Audit in Accordance with OMB A-133

June 30, 2008

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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Members of the Town Council
Town of Weymouth
Weymouth, Massachusetts

We have audited the basic financial statements of the Town of Weymouth, Massachusetts, as of and for the year ended June 30, 2008, and have issued our report thereon dated January 13, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Weymouth's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Weymouth's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Weymouth's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Weymouth's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Town of Weymouth's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items 08-01 and 08-02.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material misstatement of the financial statements will not be prevented or detected by Town of Weymouth's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance

As part of obtaining reasonable assurance about whether the Town of Weymouth's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 08-01 and 08-02.

The Town of Weymouth's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did audit the Town of Weymouth's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountants

January 13, 2009

**REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON OTHER
MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***



REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Selectmen
Town of Weymouth

Compliance

We have audited the compliance of the Town of Weymouth with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2008. The Town of Weymouth's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the Town of Weymouth's management. Our responsibility is to express an opinion on the Town of Weymouth's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Weymouth's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Weymouth's compliance with those requirements.

In our opinion, the Town of Weymouth complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of non-compliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 08-01 and 08-02.

Internal Control Over Compliance

The management of the Town of Weymouth is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the Town of Weymouth's internal control over compliance with requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Weymouth's compliance with those requirements.

Our consideration of the internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weakness as defined below. However, as discussed below we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 08-01 and 08-02.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We do not consider any of the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

The Town of Weymouth's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Town of Weymouth's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Town of Weymouth as of and for the year ended June 30, 2008, and have issued our report thereon dated January 13, 2009. Our audit was performed for the purpose of forming an opinion on the basic financial statements that collectively comprise the Town of Weymouth, Massachusetts' basic financial statements. The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by OMB circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information of the Board of Selectmen, management, others within the organization and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

O'Connor & New, P.C.
Certified Public Accountants

January 13, 2009

**SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS**

TOWN OF WEYMOUTH

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

| Federal Grantor/Pass-Through <u>Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Federal Expenditures</u> |
|--|--------------------------------|---------------------------------|
| Department of Education | | |
| Passed through Massachusetts | | |
| Department of Education: | | |
| SPED 94-142 Allocation | 84.027 | \$ 1,736,256 * |
| McKinley Vento Homeless | 84.196 | 19,717 |
| Title I | 84.010 | 862,461 * |
| SPED Program Improvement | 84.027 | 41,115 |
| SPED Secondary Reading | 84.027 | 15,747 |
| Special Assistance & Monitoring | 84.027 | 4,650 |
| Title IIA Teacher Quality | 84.367 | 237,194 |
| Occupational Education-Vocational Skills | 84.048 | 79,228 |
| Title V | 84.151 | 11,301 |
| Title IV Safe and Drug Free | 84.186 | 30,978 |
| Title II Education thru Tech | 84.318 | 12,367 |
| FCCLA - Student Org/VICA | 84.048 | 24,782 |
| School Health Leadership | 93.938 | <u>450</u> |
| Total Education | | <u>3,076,246</u> |
| Department of Housing and Urban Development | | |
| Passed through the State Office for | | |
| Communities and Development: | | |
| Community Development Block Grant | 14.218 | 469,135 * |
| Housing Rehabilitation | 14.230 | <u>29,041</u> |
| Total Housing and Urban Development | | <u>498,176</u> |

TOWN OF WEYMOUTH

Schedule of Expenditures of Federal Awards - Continued

For the Year Ended June 30, 2008

Department of Agriculture

Passed through Massachusetts

Department of Education:

| | | |
|----------------------|--------|---------------------|
| School Lunch Program | 10.555 | \$ <u>483,698</u> * |
|----------------------|--------|---------------------|

Department of Justice

Passed through State Office of

Attorney General:

| | | |
|------------------------------|--------|---------------|
| Community Police | 16.170 | 120,816 |
| Drug Free Community Act 1997 | 16.592 | 105,344 |
| Assistance/Firefighter Grant | 97.044 | 43,318 |
| Bullet Proof Vest | 16.607 | <u>34,662</u> |

| | | |
|------------------------|--|----------------|
| Total Criminal Justice | | <u>304,140</u> |
|------------------------|--|----------------|

Federal Emergency Management Agency

Passed through Massachusetts Emergency

Management Agency

| | | |
|-----------------------|--------|---------------|
| FEMA Flood Mitigation | 83.544 | <u>30,290</u> |
|-----------------------|--------|---------------|

| | | |
|--------------------|--|---------------------|
| Total All Programs | | \$ <u>4,392,550</u> |
|--------------------|--|---------------------|

* Major program

See accompanying note to the Schedule of Expenditures of Federal Awards.

TOWN OF WEYMOUTH

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2008

Note 1 - **Basis of Presentation**

Business Activity

The Schedule of Expenditures of Federal Awards includes the Federal grant activity of the Town of Weymouth and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Government, and Non-Profit Organizations.

TOWN OF WEYMOUTH

Schedule of Findings and Questioned Costs

Year Ended June 30, 2008

We have audited the basic financial statements of the Town of Weymouth as of and for the year ended June 30, 2008 and have issued our report thereon dated January 13, 2009. The auditors' report expresses an unqualified opinion on the basic financial statements of the Town of Weymouth.

No significant deficiencies relating to the audit of the basic financial statements are reported in the Independent Auditors' Report on Compliance and Internal Control over Financial Reporting based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards*.

No significant deficiencies in internal controls over major programs were disclosed by the audit of the financial statements.

Based upon our audit, we have issued an unqualified opinion on compliance for major programs.

Our audit has disclosed two audit findings, 08-01 and 08-02, included in this schedule, which is required to be reported under OMB Circular A-133, issued by the Comptroller General of the United States.

The programs tested as major programs include:

- Title I (84.010)
- SPED 94-142 Allocation (84.027)
- McKinley Vento Homeless (84.196)

The dollar threshold to distinguish between Type A and Type B programs is \$300,000.

The Town of Weymouth was determined to be a high-risk auditee.

TOWN OF WEYMOUTH

Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2008

Finding 08-01

Conditions: The close-out reports for the SPED Program Improvement, Title I Distribution, Teacher Quality, Special Assistance & Monitoring, and Health Leadership grants were not filed by the due date.

Criteria: The Form FR 1 (Final Financial Report) should be completed and submitted within sixty days of the termination date of the grant with a check made payable to the Commonwealth of Massachusetts for any unexpended funds.

Effect: By not submitting the FR 1 forms by October 31, 2008, the Town was not in compliance with Massachusetts Department of Education regulations.

Recommendation: Controls should be established to ensure that the FR 1 forms are submitted by the deadline period.

Management Response: The Town of Weymouth is working to ensure that close-out reports are filed in a timely manner. Controls will be in place by the end of the next fiscal year.

TOWN OF WEYMOUTH

Schedule of Findings and Questioned Costs - Continued

Year Ended June 30, 2008

Finding 08-02

Conditions: During a review of personnel files it was noted that 2 of the SPED teachers and one of the Title I teachers were missing a mandated payroll form.

Criteria: All personnel files should contain an I-9 (unless employed prior to 1986), W-4 for payroll records and a Teaching Certificate when applicable.

Effect: By not maintaining these files, the Town was not in compliance with Federal and Commonwealth of Massachusetts regulations requiring payroll records to be located in the individual's personnel file.

Recommendation: Controls should be established to ensure that all personnel files have all proper documentation.

Management Response: The Town of Weymouth is working to ensure that personnel files are complete with all proper documentation. Controls will be in place by the end of the next fiscal year.