

**TOWN OF NEWTON
SCHOOL DISTRICT**

**Town of Newton School District
Newton, New Jersey**

**Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024**

**Annual Comprehensive
Financial Report**

of the

**Town of Newton School District
Board of Education**

Newton, New Jersey

For the Fiscal Year Ended June 30, 2024

Prepared by

**Town of Newton School District
Board Office**

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INTRODUCTORY SECTION

Newton Public Schools
57 Trinity Street ♦ Newton, NJ 07860-1831
973-383-7392 phone ♦ 973-383-5378 fax
www.newtonnj.org

Dr. Joseph S. Piccirillo
Superintendent

James R. Sekelsky
Business Administrator

December 13, 2024

The Honorable President and Members of
the Board of Education
Town of Newton School District
County of Sussex, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Town of Newton School District (the "District") for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Town of Newton School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Town of Newton School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Preschool through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2023-2024 fiscal year with an average daily enrollment of 1,550 students, no change from the previous year.

2) ECONOMIC CONDITION AND OUTLOOK: The Town of Newton continues to experience increasing numbers of low-income and homeless families, as well as English Language Learners. As the County Seat, social services are available in Newton, as is the ability to walk to government offices, the library for Internet access and schools. Homeless shelters throughout the County are full, and an increasing amount of staff time is spent trying to keep accurate track of students, determining which district bears the financial responsibility for educating them, creating contracts and tracking the finances. The stabilization of the local tax levy remains a priority for the Board of Education, as well as the municipality. Both entities continue to recognize the importance of offering quality programs and facilities while maintaining fiscal responsibility. Due to Senate Bill S-2 the District has been receiving more state aid as overfunded districts are having equalization aid reduced to benefit underfunded districts like Newton.

Newton has successfully transitioned to local funding to support a flexible, responsive, and year-long (regular year and summer) education program supported by federal grant programs (Title IA and the Nita M. Lowey 21st Century Community Learning Center grant). The following federally funded programs (CRRSA/ESSER II, and ARP/ESSER III) were spent down and phased out during the school year of 23-24.

The District continued the educational partnerships with Thorlabs and Picatinny as they supported the robotics program. As Thorlabs continues to grow, there should be further opportunities to expand the existing partnerships and develop new ones that will evolve to meet the needs of the research and development headquarters. To support this important opportunity, the District continues to look for ways to increase Science, Technology, Engineering and Mathematics (STEM) education in all schools. Newton Public Schools continue to expand technology and software available for education. Thorlabs supported student mental health initiatives with a generous donation.

The District's Choose 2 Connect (C2C), a Nita M. Lowey 21st Century Community Learning Center grant program which provides an after-school and extended-year program for Grades 3-8, as well as family and parenting programs in both English and Spanish, was highly successful in its final year of the five-year grant. This program is run by the school district and focuses on a STEM curriculum. The program includes a summer curriculum and trips, and continued to grow during the school year. Newton has welcomed the Sussex County YMCA to run Beforecare and Aftercare programs at Merriam Avenue Elementary school (K-2). These programs run in conjunction with C2C so that more students could participate and benefit families.

In the 23-24 school year, Newton High School received students from Andover Borough, Andover Township and Green Township, which constitutes approximately less than half of the high school population; however, tuition revenue has decreased over the past three years – from approximately \$7.5 million in 19-20 to just \$6.6 million for 23-24. Newton believes the student population will level off in the short term.

In order to continue to develop a budget that is both educationally and economically sound, the Board of Education and Administration continue to work together to ensure the most effective use of resources to deal with the educational costs by accepting tuition students for special programs, returning out-of-district placements to the local schools, and constantly seeking cost-minimizing ways of providing supplies and services. The Board did approve a 2% tax levy increase for 23-24 and 24-25.

3) MAJOR INITIATIVES:

(A) Strategic Plan for School Facilities— Newton has a Maintenance Reserve and will utilize it to address preventive maintenance needs. The Board of Education reviews and prioritizes capital projects and equipment annually that would be funded by the capital reserve. The maintenance reserve was used to renovate the tennis courts at Merriam Avenue School.

3) MAJOR INITIATIVES: (Cont'd)

B) Student-Centered Learning—A District goal was to develop and implement curriculum and provide professional development that strengthens student-centered learning to increase student achievement. Activities included staff book discussions, professional development, PLC's, and development of curriculum in content areas, including digital citizenship. These efforts proved successful.

(C) Community Schools—A Newton-specific model for Community Schools was developed to increase student achievement. The model has formalized existing relationships and expanded to a full Community Schools program. The District received another five-year award of this grant program starting in July 2024.

(D) School Funding—The District continued receiving reallocated state aid in 2023-2024 – with an increase of \$2,499,360 for fiscal year 24-25.

(E) Preschool—The District continued to receive Preschool Education Expansion Aid (PEEA) in 23-24. With private providers First Impressions and Little Sprouts, along with the Norwescap Head Start program, we were able to serve the needs of more than 120 preschool children from Newton at no cost to their parents. The PEEA will continue as state aid for the foreseeable future.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to major federal and state award programs, as well as to determine that the District has complied with applicable laws, regulations, contracts and grants.

5) BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by a vote of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as restrictions, commitments and/or assignments of fund balance at June 30, 2024.

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements," Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements," Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board is a member of the School Alliance Insurance Fund ("SAIF"). SAIF is a risk-sharing public entity risk management pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. A schedule of insurance coverage is found on Exhibit J-20.


9) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Town of Newton School District Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,



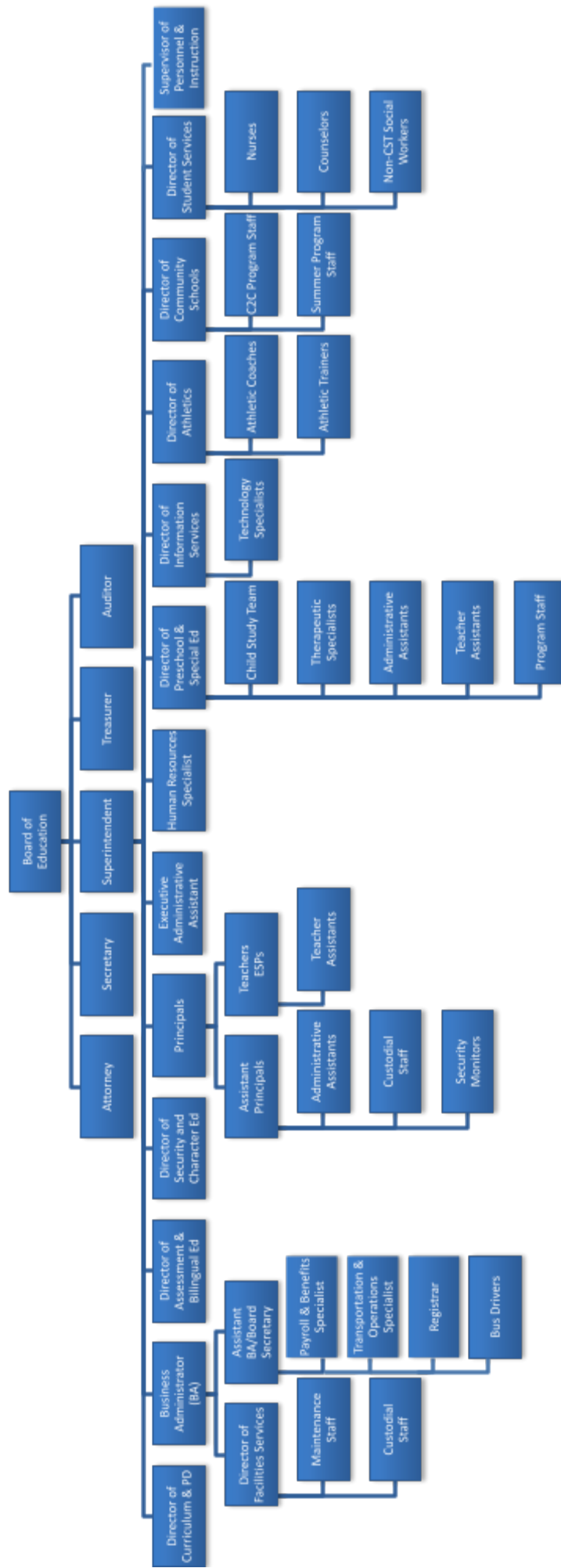
Dr. Joseph S. Piccirillo
Superintendent of Schools



James R. Sekelsky
Business Administrator/Board Secretary

Newton Public Schools

Organization Chart 2023-2024



**TOWN OF NEWTON SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2024**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Stella Dunn, President	2026
Raymond Morris, Vice President	2025
Ed Caffrey	2025
Julie Fahy	2026
Joan Faye	2024
Meghan Gill	2024
Lisa Qarmout	2026
Mary E. Zayac	2025
Danielle Gyles-Zito	2024
Jane Byron (Andover Regional Representative)	2024
Ann Marie Cooke (Green Township Representative)	2024

<u>Other Officers</u>	<u>Title</u>
Dr. Joseph S. Piccirillo	Superintendent of Schools
James R. Sekelsky	School Business Administrator/Board Secretary
Theresa Schlosser	Treasurer of School Monies
Joseph Roselle	School Board Attorney

TOWN OF NEWTON BOARD OF EDUCATION

Consultants and Advisors

Audit Firm

Nisivoccia LLP

Mount Arlington Corporate Center

200 Valley Road Suite 300

Mount Arlington, NJ 07856-1320

And

Lawrence Business Park

11 Lawrence Road

Newton, NJ 07860

And

1140 Route 22 East, Suite 203

Bridgewater, NJ 08807

Attorney

Joseph L. Roselle, Esq.

220 Park Avenue

P.O. Box 991

Florham Park, NJ 07932

Architect of Record

EI Associates

8 Ridgedale Avenue

Cedar Knolls, NJ 07927

Official Depository

Lakeland Bank

One Cochran Plaza

Newton, NJ 07860

FINANCIAL SECTION

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Town of Newton School District
County of Sussex, New Jersey

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Newton School District (the “District”), in the County of Sussex, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the “Office”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.


In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

December 13, 2024
Mount Arlington, New Jersey


NISIVOCCIA LLP


Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2024

This section of Town of Newton School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2024. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the District operates like a business, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1

Organization of the School District's Financial Report

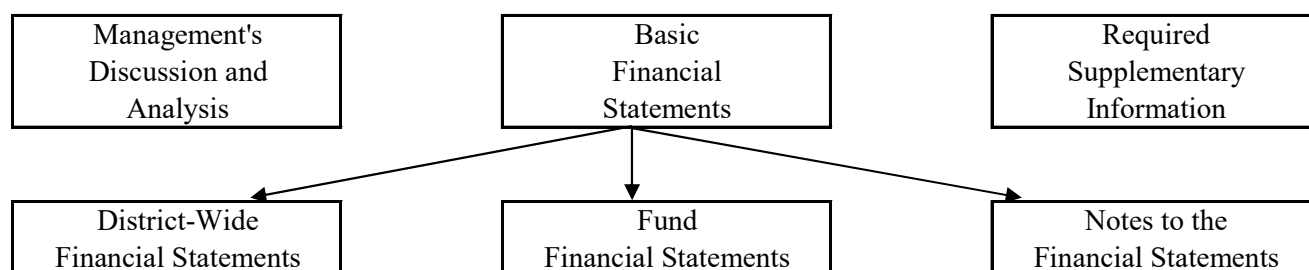


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services and after care program.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets, subscription assets or long-term liabilities included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

District-wide Statements

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities:* Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes, tuition and state formula aid finance most of these activities.
- *Business-type activities:* The District charges fees to help it cover the costs of certain services it provides. The District's food service and after care programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term liabilities) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds:* Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

Notes to Basic Financial Statements: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's combined net position increased by \$2,218,173. Net position from governmental activities increased by \$2,367,427 and net position from business-type activities decreased by \$149,254. Net investment in capital assets increased by \$676,845, restricted net position increased by \$1,629,138, and unrestricted net position decreased by \$87,810.

Figure A-3

Condensed Statement of Net Position							Percentage Change
	Government Activities		Business-Type Activities		Total School District		2023/24
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	
Current and							
Other Assets	\$ 6,623,424	\$ 4,757,772	\$ 417,710	\$ 721,058	\$ 7,041,134	\$ 5,478,830	
Capital Assets, Net	14,868,578	15,154,054	243,047	70,558	15,111,625	15,224,612	
Total Assets	21,492,002	19,911,826	660,757	791,616	22,152,759	20,703,442	7.00%
Deferred Outflows of Resources	664,009	940,372			664,009	940,372	-29.39%
Other Liabilities	1,802,249	1,347,900	77,269	58,874	1,879,518	1,406,774	
Long-Term Liabilities							
Outstanding	11,612,869	12,812,423			11,612,869	12,812,423	
Total Liabilities	13,415,118	14,160,323	77,269	58,874	13,492,387	14,219,197	-5.11%
Deferred Inflows of Resources	734,297	1,052,706			734,297	1,052,706	-30.25%
Net Position:							
Net Investment in							
Capital Assets	9,565,673	9,061,317	243,047	70,558	9,808,720	9,131,875	
Restricted	4,935,231	3,306,093			4,935,231	3,306,093	
Unrestricted/(Deficit)	(6,494,308)	(6,728,241)	340,441	662,184	(6,153,867)	(6,066,057)	
Total Net Position	\$ 8,006,596	\$ 5,639,169	\$ 583,488	\$ 732,742	\$ 8,590,084	\$ 6,371,911	34.81%

Changes in Net Position. The District's combined net position was \$8,590,084 on June 30, 2024, an increase of \$2,218,173 or 34.81% over the previous year (see Figure A-3). Net position in the Governmental Activities increased due primarily to the maturity of long term liabilities, capital assets additions, an increase in the capital reserve, an increase in encumbrances and changes in net pension liability and related deferred outflows and inflows; offset by depreciation expense. An explanation for the change in Net Position for Business-Type Activities is included later in this section of the report.

Figure A-4**Changes in Net Position from Operating Results**

	Governmental Activities 2023/24	Business- Type Activities 2023/24	Governmental Activities 2022/23	Business- Type Activities 2022/23	Total School District 2023/24	Total School District 2022/23	Percentage Change 2023/24
Revenue:							
Program Revenue:							
Charges for Services	\$ 7,321,518	\$ 194,164	\$ 6,901,979	\$ 162,556	\$ 7,515,682	\$ 7,064,535	
Operating Grants and Contributions	8,691,581	578,504	9,521,967	632,408	9,270,085	10,154,375	
General Revenue:							
Property Taxes	14,122,137		13,856,565		14,122,137	13,856,565	
Unrestricted Local, State and Federal Aid	12,005,210		9,927,023		12,005,210	9,927,023	
Other	308,872	7,176	276,206	10,798	316,048	287,004	
Total Revenue	<u>42,449,318</u>	<u>779,844</u>	<u>40,483,740</u>	<u>805,762</u>	<u>43,229,162</u>	<u>41,289,502</u>	4.70%
Expenses:							
Instruction	21,811,561		21,378,987		21,811,561	21,378,987	
Pupil and Instruction Services	9,090,980		8,849,351		9,090,980	8,849,351	
Administrative and Business	3,936,176		3,704,052		3,936,176	3,704,052	
Maintenance and Operations	3,310,050		2,953,728		3,310,050	2,953,728	
Transportation	1,391,225		1,406,052		1,391,225	1,406,052	
Other	564,963	906,034	313,502	686,232	1,470,997	999,734	
Total Expenses	<u>\$40,104,955</u>	<u>906,034</u>	<u>38,605,672</u>	<u>686,232</u>	<u>41,010,989</u>	<u>39,291,904</u>	4.38%
Transfers	<u>23,064</u>	<u>(23,064)</u>					
Increase/(Decrease) in Net Position	<u>\$ 2,367,427</u>	<u>\$ (149,254)</u>	<u>\$ 1,878,068</u>	<u>\$ 119,530</u>	<u>\$ 2,218,173</u>	<u>\$ 1,997,598</u>	11.04%

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs and enrollment and the provision of special programs and services for disabled pupils, combined with rising salary and benefit costs, school security, out of district tuitions, state mandates on testing and energy costs place great demands on the District's resources.

Careful management of expenses and increases in revenues remains essential for the District to sustain its financial health. The District continues to receive the benefit of cost saving measures from the past few years, especially the energy conservation measures and insurance changes.

It is crucial that the District examine its expenses carefully. Staff, parental and student demands for salary increases, activities, small class sizes and programs must be evaluated thoroughly. Figure A-5 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

Figure A-5

	Net Cost of Governmental Activities			
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2023/24	2023/24	2022/23	2022/23
Instruction	\$ 21,811,561	\$13,473,587	\$ 21,378,987	\$12,881,248
Pupil and Instruction Services	9,090,980	3,949,236	8,849,351	3,390,001
Administrative and Business	3,936,176	2,773,432	3,704,052	2,562,474
Maintenance and Operations	3,310,050	2,462,877	2,953,728	2,167,653
Transportation	1,391,225	867,761	1,406,052	866,848
Other	564,963	564,963	313,502	313,502
	<u>\$ 40,104,955</u>	<u>\$ 24,091,856</u>	<u>\$ 38,605,672</u>	<u>\$ 22,181,726</u>

Business-Type Activities

Net position from the District's business-type activity decreased by \$149,254 (Refer to Figure A-4). The decrease in net position was primarily due to the following:

- Food Service Fund expenses exceeded revenues by \$126,104, which was primarily due to a significant increase in expenses as well as a significant decrease in state and federal meal reimbursements.
- After-Care Program Fund expenses and other items exceeded revenue by \$23,150, which was primarily due to the District discontinuing the program and transferring nearly all the remaining funds to the General Fund.

Financial Analysis of the District's Funds

The District's financial position increased significantly on a fund basis. The District remains fiscally responsible and efficient in what discretionary purchases the District makes.

The District has utilized creative staffing and scheduling to avoid eliminating instructional and co-curricular programs. Increases in technology and programming have been implemented.

To maintain a stable financial position, the District must continue to practice sound fiscal management, including efficiency/cost containment practices, evaluation of services and programs, energy conservation, and seeking additional sources of revenues.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments were due to:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

Capital Assets and Long-term Liabilities Administration

Figure A-6

	Capital Assets (Net of Depreciation)						
	Government Activities		Business-Type Activities		Total School District		Percentage
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	Change
							2023/24
Sites and Site							
Improvements	\$ 1,824,456	\$ 1,973,035			\$ 1,824,456	\$ 1,973,035	
Construction in							
Progress		1,987,150				1,987,150	
Buildings and Building							
Improvements	12,173,513	10,300,489			12,173,513	10,300,489	
Machinery and							
Equipment	870,609	893,380	\$ 243,047	\$ 70,558	1,113,656	963,938	
Total	\$ 14,868,578	\$ 15,154,054	\$ 243,047	\$ 70,558	\$ 15,111,625	\$ 15,224,612	-0.74%

Long-term Liabilities

The District's long term liabilities decreased by \$1,199,544 or 9.36% from last year – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements.)

Figure A-7

Outstanding Long-Term Liabilities			Percentage
	Total School District		Change
	2023/24	2022/23	2023/24
General Obligation Bonds (Financed with Property Taxes)	\$ 3,970,000	\$ 4,340,000	
Unamortized Bond Issuance Premium	286,894	324,315	
Net Pension Liability	4,387,912	4,874,090	
Compensated Absences Payable	1,564,044	1,441,089	
Financed Purchases Payable	1,404,019	1,832,929	
	\$ 11,612,869	\$ 12,812,423	-9.36%

- The District continued to pay down its bonded debt, retiring \$370,000 of outstanding bonds.
- Unamortized bond issuance premium decreased by \$37,421.
- Net pension liability decreased by \$486,178.
- Compensated absences payable increased by a net amount of \$122,955.
- The District paid down \$239,725 and cancelled \$189,185 in financed purchases agreement principal during the fiscal year.

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future:

- Loss of tuition received from sending districts impacts the District. Increases in State Aid are significant (\$2,499,360 for FY24-25); however, reduction in tuition resulted from decreased “received students” from our sending districts. Newton was able to utilize federal stimulus funds to offset some of the lost revenue, and with unanticipated retirements, we have some breakage to help offset the loss.
- The Newton Board of Education received a Nita M. Lowey 21st Century Community Learning Center grant and completed its fifth and final year of operation. The District successfully reapplied and was awarded an additional five-year grant. This grant program can annually serve over 250 students who are able to take advantage of the academically based after school and extended year program. At least 150 students are targeted to be served in the program, and up to 300 students can be enrolled. Newton did receive a five-year renewal of this program starting in 2024-2025.
- The Board faces continued maintenance of the three aging school buildings that are over 50, 70, and 100 years old.

Contacting the District’s Financial Management

This financial report is designed to provide the District’s citizens, taxpayers, customers and investors and creditors with a general overview of the District’s finances and to demonstrate the District’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 57 Trinity Street, Newton, New Jersey 07860.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

TOWN OF NEWTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ 799,872	\$ 281,294	\$ 1,081,166
Receivables from State Government	406,313	1,401	407,714
Receivables from Federal Government	433,342	24,344	457,686
Receivables from Other Governments	44,218		44,218
Other Receivables	4,550	86,523	91,073
Internal Balances	(100)	100	
Inventories		24,048	24,048
Restricted Cash and Cash Equivalents	4,922,229		4,922,229
Restricted Investments	13,000		13,000
Capital Assets, Net:			
Sites (Land)	330,620		330,620
Depreciable Site Improvements, Buildings and Building Improvements and Machinery and Equipment	14,537,958	243,047	14,781,005
Total Assets	21,492,002	660,757	22,152,759
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred Amount on Refunding	71,114		71,114
Deferred Outflows Related to Pensions	108,006		108,006
District Contribution Subsequent to the Measurement Date - Pensions	484,889		484,889
Total Deferred Outflows of Resources	664,009		664,009
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts Payable	922,283	59,293	981,576
Accrued Interest Payable	70,578		70,578
Payable to State Government	1,244	103	1,347
Payable to Federal Government		1,364	1,364
Unearned Revenue	808,144	16,509	824,653
Noncurrent Liabilities:			
Due Within One Year	492,211		492,211
Due Beyond One Year	11,120,658		11,120,658
Total Liabilities	13,415,118	77,269	13,492,387
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred Inflows Related to Pensions	734,297		734,297
Total Deferred Inflows of Resources	734,297		734,297
<u>NET POSITION/(DEFICIT)</u>			
Net Investment in Capital Assets	9,565,673	243,047	9,808,720
Restricted for:			
Capital Projects	4,211,466		4,211,466
Maintenance Reserve	316,282		316,282
Student Activities	351,339		351,339
Scholarships	56,142		56,142
Debt Service	2		2
Unrestricted/(Deficit)	(6,494,308)	340,441	(6,153,867)
Total Net Position	\$ 8,006,596	\$ 583,488	\$ 8,590,084

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF NEWTON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	\$ 16,326,419	\$ 2,908,307	\$ 2,750,514	\$ (10,667,598)		\$ (10,667,598)
Special Education	3,607,649	642,649	1,479,154	(1,485,846)		(1,485,846)
Other Special Instruction	558,104	99,418	66,522	(392,164)		(392,164)
School Sponsored/Other Instruction	1,319,389	235,029	156,381	(927,979)		(927,979)
Support Services:						
Tuition	1,763,347		414,688	(1,348,659)		(1,348,659)
Student and Instruction Related Services	7,327,633	1,897,483	2,829,573	(2,600,577)		(2,600,577)
General Administrative Services	763,197	135,952	56,044	(571,201)		(571,201)
School Administrative Services	2,190,198	390,151	288,872	(1,511,175)		(1,511,175)
Central Services	674,839	120,212	87,466	(467,161)		(467,161)
Administrative Information Technology	307,942	54,855	29,192	(223,895)		(223,895)
Plant Operations and Maintenance	3,310,050	589,636	257,537	(2,462,877)		(2,462,877)
Pupil Transportation	1,391,225	247,826	275,638	(867,761)		(867,761)
Transfer of Funds to Charter School	438,856			(438,856)		(438,856)
Interest on Long-Term Debt	126,107			(126,107)		(126,107)
Total Governmental Activities	40,104,955	7,321,518	8,691,581	(24,091,856)		(24,091,856)
Business-Type Activities:						
Food Service	906,034	194,164	578,504		\$ (133,366)	(133,366)
Total Business-Type Activities	906,034	194,164	578,504		(133,366)	(133,366)
Total Primary Government	\$ 41,010,989	\$ 7,515,682	\$ 9,270,085	(24,091,856)	(133,366)	(24,225,222)

TOWN OF NEWTON SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
General Revenues and Transfers:			
Taxes:			
Property Taxes, Levied for General Purposes, Net	\$ 13,592,599		\$ 13,592,599
Taxes Levied for Debt Service	529,538		529,538
Federal, State and Local Aid not Restricted	12,005,210		12,005,210
Interest Earnings	63,312	\$ 7,176	70,488
Miscellaneous Income	245,560		245,560
Transfers	23,064	(23,064)	
Total General Revenues and Transfers	26,459,283	(15,888)	26,443,395
Change in Net Position	2,367,427	(149,254)	2,218,173
Net Position - Beginning	5,639,169	732,742	6,371,911
Net Position - Ending	<u>\$ 8,006,596</u>	<u>\$ 583,488</u>	<u>\$ 8,590,084</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

TOWN OF NEWTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Revenue Fund	Debt Service Fund	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 460,405	\$ 339,465	\$ 2	\$ 799,872
Receivables From State Government	391,890	14,423		406,313
Receivables From Federal Government		433,342		433,342
Receivables From Other Governments	44,218			44,218
Other Accounts Receivables		4,550		4,550
Restricted Cash and Cash Equivalents	4,527,748	394,481		4,922,229
Restricted Investments		13,000		13,000
Total Assets	<u>\$ 5,424,261</u>	<u>\$ 1,199,261</u>	<u>\$ 2</u>	<u>\$ 6,623,524</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Interfund Payable	\$ 100			\$ 100
Accounts Payable	274,720	\$ 162,674		437,394
Payable to State Government		1,244		1,244
Unearned Revenue		808,144		808,144
Total Liabilities	<u>274,820</u>	<u>972,062</u>		<u>1,246,882</u>
Fund Balances:				
Restricted:				
Capital Reserve Account	4,211,466			4,211,466
Maintenance Reserve Account	316,282			316,282
Student Activities		351,339		351,339
Scholarships		56,142		56,142
Debt Service			\$ 2	2
Assigned	621,693			621,693
Unassigned/(Deficit)		(180,282)		(180,282)
Total Fund Balances	<u>5,149,441</u>	<u>227,199</u>	<u>2</u>	<u>5,376,642</u>
Total Liabilities and Fund Balances	<u>\$ 5,424,261</u>	<u>\$ 1,199,261</u>	<u>\$ 2</u>	<u>\$ 6,623,524</u>

TOWN OF NEWTON SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

Total
Governmental
Funds

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Total Fund Balances from previous page	\$ 5,376,642
Capital Assets Used in Governmental Activities are not Financial Resources and Therefore are not Reported in the Funds.	14,868,578
Bond Issuance Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold.	(286,894)
The Deferred Amount on Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure.	71,114
Interest on Long-Term Debt is not Accrued in Governmental Funds, but Rather is Recognized as an Expenditure When Due.	(70,578)
The Net Pension Liability for PERS is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(4,387,912)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds.	
Deferred Outflows	108,006
Deferred Inflows	(734,297)
Long-Term Liabilities, Including Bonds Payable and Financed Purchases Payable, are not Due and Payable in the Current Period and Therefore are not Reported as Liabilities in the Funds.	<u>(6,938,063)</u>
Net Position of Governmental Activities	<u>\$ 8,006,596</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL
STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF NEWTON SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 13,592,599			\$ 529,538	\$ 14,122,137
Tuition from Other LEAs	6,729,343				6,729,343
Interest Earned on Capital Reserve Funds	51,574				51,574
Restricted Miscellaneous Revenue		\$ 592,175			592,175
Unrestricted Miscellaneous Revenue	257,298	5,605			262,903
Total - Local Sources	20,630,814	597,780		529,538	21,758,132
State Sources	20,463,144	1,533,387			21,996,531
Federal Sources	79,825	2,060,756			2,140,581
Total Revenues	41,173,783	4,191,923		529,538	45,895,244
EXPENDITURES:					
Current:					
Regular Instruction	10,165,061	950,863			11,115,924
Special Education Instruction	2,330,437	66,603			2,397,040
Other Special Instruction	330,807				330,807
School-Sponsored/Other Instruction	971,582				971,582
Support Services and Undistributed Costs:					
Tuition	1,348,659	414,688			1,763,347
Student and Other Instruction Related Services	3,233,505	2,883,625			6,117,130
General Administrative Services	666,113				666,113
School Administrative Services	1,520,848				1,520,848
Central Services	474,482				474,482
Administrative Information Technology	242,230				242,230
Plant Operations and Maintenance	2,716,810				2,716,810
Student Transportation	1,165,967				1,165,967
Unallocated Benefits	13,455,754				13,455,754
Debt Service:					
Principal				370,000	370,000
Interest and Other Charges				159,537	159,537
Capital Outlay	411,570	52,972			464,542
Transfer of Funds to Charter Schools	438,856				438,856
Total Expenditures	39,472,681	4,368,751		529,537	44,370,969
Excess/(Deficit) of Revenue Over/(Under) Expenditures	1,701,102	(176,828)		1	1,524,275
Other Financing Sources/(Uses):					
Cancellation of Lease Purchase Agreement Proceeds			\$ (189,185)		(189,185)
Transfers	(151,546)	174,610			23,064
Total Other Financing Sources/(Uses)	(151,546)	174,610	(189,185)		(166,121)
Net Change in Fund Balances	1,549,556	(2,218)	(189,185)	1	1,358,154
Fund Balance - July 1	3,599,885	229,417	189,185	1	4,018,488
Fund Balance - June 30	\$ 5,149,441	\$ 227,199	\$ -0-	\$ 2	\$ 5,376,642

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF NEWTON SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Total Net Change in Fund Balances - Governmental Funds (from B-2)		\$ 1,358,154
Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:		
Capital outlays related to capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differ from depreciation and deletions of capital assets in the period.		
Depreciation Expense	\$ (711,286)	
Deletion of Capital Assets, net of Accumulated Depreciation	(1,718)	
Capital Asset Additions	<u>427,528</u>	(285,476)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+).		5,087
Repayment of financed purchases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		
Repayment	239,725	
Cancellation	<u>189,185</u>	428,910
Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.		370,000
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		37,421
The governmental funds report the effect of the deferred amount on refunding when debt is first issued, whereas this amount is deferred and amortized in the statement of activities.		(9,078)
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:		
Change in Net Pension Liability		486,178
Change in Deferred Outflows		(219,223)
Change in Deferred Inflows		318,409
In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		<u>(122,955)</u>
Change in Net Position of Governmental Activities		<u>\$ 2,367,427</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS
ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF NEWTON SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Fund		Total
	Food Service	Non-Major Fund	Enterprise
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 281,145	\$ 149	\$ 281,294
Interfund Receivable - General Fund	100		100
Intergovernmental Accounts Receivable:			
State	1,401		1,401
Federal	24,344		24,344
Other Accounts Receivable	86,523		86,523
Inventories	24,048		24,048
Total Current Assets	417,561	149	417,710
Non-Current Assets:			
Capital Assets	425,912		425,912
Less: Accumulated Depreciation	(182,865)		(182,865)
Total Non-Current Assets	243,047		243,047
Total Assets	660,608	149	660,757
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Vendors	59,293		59,293
Payable to State Government	103		103
Payable to Federal Government	1,364		1,364
Unearned Revenue - Donated Commodities	7,741		7,741
Unearned Revenue - Prepaid Sales	8,768		8,768
Total Current Liabilities	77,269		77,269
<u>NET POSITION:</u>			
Investment in Capital Assets	243,047		243,047
Unrestricted	340,292	149	340,441
Total Net Position	\$ 583,339	\$ 149	\$ 583,488

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

TOWN OF NEWTON SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Fund		Total
	Food Service	Non-Major Fund	Enterprise
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 148,219		\$ 148,219
Daily Sales - Non-Reimbursable Programs	19,909		19,909
Special Events	18,785		18,785
Miscellaneous Revenue	7,251		7,251
Total Operating Revenue	194,164		194,164
Operating Expenses:			
Cost of Sales - Reimbursable Programs	273,797		273,797
Cost of Sales - Non-Reimbursable Programs	36,777		36,777
Salaries, Benefits & Payroll Taxes	293,242		293,242
Other Purchased Services	5,000		5,000
Supplies, Insurance and Other Costs	170,357		170,357
Management Fee	62,910		62,910
Miscellaneous Expenses	41,664		41,664
Depreciation Expense	22,287		22,287
Total Operating Expenses	906,034		906,034
Operating Loss	(711,870)		(711,870)
Non-Operating Revenue:			
Local Sources:			
Interest Income	7,012	\$ 164	7,176
State Sources:			
State School Lunch Program	25,878		25,878
Federal Sources:			
School Breakfast Program	170,570		170,570
National School Lunch Program	262,445		262,445
COVID-19 Pandemic P-EBT Administrative Costs	653		653
COVID 19 - Summer Food Service Program	9,205		
After School Snack Program	16,712		16,712
Local Foods for School Cooperative Program	100		100
Summer Food Service Program	14,966		14,966
Supply Chain Assistance	39,692		39,692
Food Distribution Program	38,283		38,283
Total Non-Operating Revenue	585,516	164	576,475
Change in Net Position Before Other Items	(126,354)	164	(126,190)
Other Items:			
Cancellation of Prior Year Interfund	250	(250)	
Transfer to General Fund		(23,064)	(23,064)
Change in Net Position After Other Items	(126,104)	(23,150)	(149,254)
Net Position - Beginning of Year	709,443	23,299	732,742
Net Position - End of Year	\$ 583,339	\$ 149	\$ 583,488

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

TOWN OF NEWTON SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-Type Activities - Enterprise Funds		
	Major Fund		Total
	Food Service	Non-Major Fund	Enterprise
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 143,025		\$ 143,025
Payments to Food Service Contractor	(653,791)		(653,791)
Payments for Suppliers	(156,523)		(156,523)
Net Cash Used for Operating Activities	(667,289)		(667,289)
Cash Flows from Capital and Related Financing Activities:			
Purchases of Capital Assets	(194,776)		(194,776)
Net Cash Used for Capital and Related Financing Activities	(194,776)		(194,776)
Cash Flows from Investing Activities:			
Interest Income	7,012	\$ 164	7,176
Net Cash Provided by Investing Activities	7,012	164	7,176
Cash Flows from Noncapital Financing Activities:			
Transfer to General Fund		(23,064)	(23,064)
State Sources Collected in Food Service Fund	25,695		25,695
Federal Sources Collected in Food Service Fund	517,179		517,179
Net Cash Provided by/(Used for) Noncapital Financing Activities	542,874	(23,064)	519,810
Net Decrease in Cash and Cash Equivalents	(312,179)	(22,900)	(335,079)
Cash and Cash Equivalents, July 1	593,324	23,049	616,373
Cash and Cash Equivalents, June 30	\$ 281,145	\$ 149	\$ 281,294
Reconciliation of Operating Loss to Net Cash			
Used for Operating Activities:			
Operating Loss	\$ (711,870)		\$ (711,870)
Adjustment to Reconcile Operating Loss to Net Cash			
Used for Operating Activities:			
Depreciation	22,287		22,287
Food Distribution Program	38,283		38,283
Changes in Assets and Liabilities:			
(Decrease) in Unearned Revenue - Donated Commodities	(2,367)		(2,367)
(Decrease) in Unearned Revenue - Prepaid Sales	(4,503)		(4,503)
Increase in Accounts Payable	25,265		25,265
(Increase) in Other Accounts Receivable	(46,636)		(46,636)
Decrease in Inventory	12,252		12,252
Net Cash Used for Operating Activities	\$ (667,289)	\$ -0-	\$ (667,289)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$35,916 and utilized U.S.D.A. Commodities valued at \$38,283.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN
INTEGRAL PART OF THIS STATEMENT

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Town of Newton School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other non exchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

District-Wide Financial Statements: (Cont'd)

Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund. These resources can be transferred from and to current expenses by board resolution.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, lease assets or subscription assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation (Cont'd)

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's cafeteria operations and after care program. The Food Service Fund and After Care Program are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The After Care Program discontinued operations in fiscal year 2024.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term liabilities claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset, lease asset or subscription asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under financed purchases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general and special revenue funds budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" and Other Financing Sources		
from the Budgetary Comparison Schedule	\$ 41,399,062	\$ 4,698,135
Differences - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the		
Budgetary Basis Recognizes Encumbrances as Expenditures and		
Revenue, Whereas the GAAP Basis does not.		
Current Year Encumbrances		(532,476)
Cancellation of Prior Year Encumbrances		(7,360)
Prior Year Encumbrances		217,863
Prior Year State Aid Payments Recognized for GAAP Purposes, not		
Recognized for Budgetary Statements	1,068,984	170,653
Current Year State Aid Payments Recognized for Budgetary Purposes,		
not Recognized for GAAP Statements	(1,294,263)	(180,282)
Total Revenues and Other Financing Sources as Reported on the Statement of		
Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 41,173,783</u>	<u>\$ 4,366,533</u>

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures: (Cont'd)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 39,472,681	\$ 4,690,724
Differences - Budgetary to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(532,476)
Cancellation of Prior Year Encumbrances		(7,360)
Prior Year Encumbrances		217,863
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 39,472,681</u>	<u>\$ 4,368,751</u>

E. Cash and Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to the type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers.

Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities or governmental and agency funds, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as an expenditure during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value.

The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment. The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and the related depreciation is not reported in the fund financial statements.

L. Lease Assets

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Subscription Assets

Intangible right-to-use subscription assets are subscription-based information technology arrangements (SBITAs) with subscription terms of more than one year. The value of subscription assets is determined by the sum of the subscription liability and payments made to the SBITA vendor, including capitalizable initial implementation costs, before the commencement date of the subscription term.

N. Long Term Liabilities:

In the district-wide and enterprise fund statements of net position, long-term liabilities and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premium and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

O. Accrued Salaries and Wages

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year, therefore, there are no accrued salaries and wages as of June 30, 2024.

P. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee contracts/agreements.

In addition, the Board of Education has cooperated with the Education Association in the establishment of a Sick Leave Bank. Any Association member may participate in the Bank on a voluntary basis by donating a small number of personal days to the Sick Leave Bank.

In the district-wide Statement of Net Position, the liabilities, whose average maturities are greater than one year, should be reported in two components – the amount due within one year and the amount due in more than one year.

Q. Lease Payable

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

R. Subscription Payable

In the district-wide financial statements, subscription payables are reported as liabilities in the Statement of Net Position. In the governmental Fund financial statements, the present value of subscription payments at the District's incremental borrowing rate over the subscription term is reported as other financing sources.

S. Unearned Revenue

Unearned revenue in the special revenue and the enterprise funds represent cash which has been received but not yet earned.

T. Fund Balance Appropriated

General Fund: Of the \$5,149,441 General Fund fund balance at June 30, 2024, \$621,693 is assigned for encumbrances, which is \$179,685 less than the encumbrances, on a budgetary basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2025; \$4,211,466 is restricted in the capital reserve account; \$316,282 is restricted in the maintenance reserve account; \$-0- of assigned fund balance

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Fund Balance Appropriated (Cont'd)

General Fund: (Cont'd)

which is \$250,000 less than on a budgetary basis, and has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2025, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2025; and \$-0- in unassigned fund balance, which is \$864,578 less than the budgetary unassigned fund balance, on a GAAP basis, due to the final two state aid payments, which are not recognized until the fiscal year ended June 30, 2025.

Special Revenue Fund: Of the \$227,199 Special Revenue Fund fund balance at June 30, 2024, \$351,339 is restricted for student activities; \$56,142 is restricted for scholarships; offset by a deficit of \$180,282 in unassigned fund balance. This deficit is due to the last two June state aid payments, which are not recognized until the fiscal year ended June 30, 2025 on a GAAP basis.

Debt Service Fund: The \$2 fund balance in the Debt Service Fund at June 30, 2024 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has no excess surplus at June 30, 2024.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

U. Deficit Net Position and Fund Balance

The District has a deficit in unrestricted net position of \$6,494,308 in governmental activities, which is primarily due to accrued interest payable, an unamortized bond premium, compensated absences payable, deferred inflows related to pensions and net pension liability; net of fund balance assigned for encumbrances, and deferred outflows related to pensions. The District has a deficit in unassigned fund balance of \$180,282 in the Special Revenue Fund as of June 30, 2024 as a result of the last two state aid payments that are not recognized on a GAAP basis. These deficits do not indicate that the District is in financial difficulties. These deficits are a permitted practice under generally accepted accounting principles.

V. Net Position

Net position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

V. Net Position (Cont'd)

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2024 for the deferred amount on refunding of debt related to the District's 2016 refunding bonds and pensions. The District had deferred inflows of resources at June 30, 2024 for pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization, and subscription assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

W. Fund Balance Restrictions, Commitments and Assignments

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for capital reserve, maintenance reserve, the debt service fund, student activities and scholarships.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2024.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

W. Fund Balance Restrictions, Commitments and Assignments (Cont'd)

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for the 2024/2025 budget (on the budgetary basis) and encumbrances in the General Fund at June 30, 2024.

X. Revenue - Exchange and Nonexchange Transactions

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes, interest and tuition.

Y. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the respective Enterprise Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Food Service Enterprise Fund. The After Care enterprise discontinued operations as of July 1, 2023.

Z. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

AA. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

AA. Pensions (Cont'd)

Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed in the section of this note on investments.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which New Jersey school districts are permitted to invest their funds.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits: (Cont'd)

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit, and

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located;
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;
- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.);

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17:9-41); and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- (9) Deposit of funds in accordance with the following conditions:
- (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
 - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
 - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
 - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
 - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2024, cash and cash equivalents and investments of the District consisted of the following:

	Restricted Cash and Cash Equivalents	Cash and Cash Equivalents	Restricted Investments	Total
Checking Accounts	\$ 4,922,229	\$ 1,081,166		\$ 6,003,395
Certificates of Deposit			\$ 13,000	13,000
	<u>\$ 4,922,229</u>	<u>\$ 1,081,166</u>	<u>\$ 13,000</u>	<u>\$ 6,016,395</u>

During the period ended June 30, 2024, the District did not hold any investments other than certificate of deposits. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2024, was \$6,016,395 and the bank balance was \$6,611,667.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by inclusion of \$100 on November 7, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2023	\$ 2,680,945
Add: Transfer from Unassigned Fund Balance as per Board Resolution - June 2024	1,568,414
Interest Earnings	51,574
Unexpended Balance Returned from Capital Outlay	38,321
Less: Withdrawal as per Board Resolution	<u>(127,788)</u>
Ending Balance, June 30, 2024	<u><u>\$ 4,211,466</u></u>

The balance in the capital reserve account at June 30, 2024 does not exceed the LRFP balance of local support costs of uncompleted capital projects. Withdrawals from the capital reserve are for use in DOE approved facilities projects consistent with the District's LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution on June 22, 2021. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2023	\$ 225,077
Add: Transfer from Unassigned Fund Balance as per Board Resolution - June 2024	100,000
Unexpended Balance Returned	879
Less: Withdrawal as per Board Resolution	<u>(9,674)</u>
Ending Balance, June 30, 2024	<u><u>\$ 316,282</u></u>

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2024 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 330,620			\$ 330,620
Construction in Progress	1,987,150		\$ (1,987,150)	
Total Capital Assets Not Being Depreciated	<u>2,317,770</u>		<u>(1,987,150)</u>	<u>330,620</u>
Capital Assets Being Depreciated:				
Site Improvements	3,189,277			3,189,277
Buildings and Building Improvements	17,879,680	\$ 251,282	1,987,150	20,118,112
Machinery and Equipment	3,014,789	176,246	(47,266)	3,143,769
Total Capital Assets Being Depreciated	<u>24,083,746</u>	<u>427,528</u>	<u>1,939,884</u>	<u>26,451,158</u>
Governmental Activities Capital Assets	<u>26,401,516</u>	<u>427,528</u>	<u>(47,266)</u>	<u>26,781,778</u>
Less: Accumulated Depreciation for:				
Site Improvements	(1,546,862)	(148,579)		(1,695,441)
Buildings and Building Improvements	(7,579,191)	(365,408)		(7,944,599)
Machinery and Equipment	(2,121,409)	(197,299)	45,548	(2,273,160)
	<u>(11,247,462)</u>	<u>(711,286)</u>	<u>45,548</u>	<u>(11,913,200)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u><u>\$ 15,154,054</u></u>	<u><u>\$ (283,758)</u></u>	<u><u>\$ (1,718)</u></u>	<u><u>\$ 14,868,578</u></u>

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 237,436	\$ 194,776	\$ (6,300)	\$ 425,912
Less: Accumulated Depreciation	(166,878)	(22,287)	6,300	(182,865)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 70,558</u>	<u>\$ 172,489</u>	<u>\$ -0-</u>	<u>\$ 243,047</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 520,207
School Sponsored/Other Instruction	13,352
Student and Instruction Related Services	1,303
Plant Operations and Maintenance	69,060
Pupil Transportation	107,364
	<u>\$ 711,286</u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2024, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2023	Accrued	Retired/ Cancelled	Balance 6/30/2024	Due Within One Year
Serial Bonds Payable	\$ 4,340,000		\$ 370,000	\$ 3,970,000	\$ 380,000
Unamortized Bond Issuance Premium	324,315		37,421	286,894	37,420
Net Pension Liability	4,874,090		486,178	4,387,912	
Compensated Absences Payable	1,441,089	\$ 187,562	64,607	1,564,044	74,791
Financed Purchases Payable	1,832,929		428,910	1,404,019	
	<u>\$ 12,812,423</u>	<u>\$ 187,562</u>	<u>\$ 1,387,116</u>	<u>\$ 11,612,869</u>	<u>\$ 492,211</u>

A. Unamortized Bond Issuance Premium

The unamortized bond issuance premium of the governmental fund types is recorded in the long-term liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$37,420 and is separated from the long-term portion of \$249,474.

B. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

B. Bonds Payable: (Cont'd)

On April 21, 2016, the District issued refunding school bonds of \$6,535,000 with interest rates ranging from 1.00% to 4.00% to refund \$6,850,000 of 2006 refunding school bonds with interest rates ranging from 4.0% to 4.5%. The bonds mature on July 15, 2016 through 2032 and are non-callable. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2006 refunding school bonds were called on July 15, 2016. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements. As a result of the refunding, the District will realize a total of \$1,111,935 in cash savings over the life of the bond issue. On a net present value basis, the savings equate to \$918,672, or 13.41%, of the bonds refunded.

The District had bonds outstanding as of June 30, 2024 as follows:

<u>Serial Bonds</u>			
<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Refunding Bonds of 2016	07/15/32	3.75-4.00%	<u>\$ 3,970,000</u>

Principal and interest due on serial bonds outstanding are as follows:

<u>Year Ending June 30,</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 380,000	\$ 146,387	\$ 526,387
2026	395,000	130,888	525,888
2027	410,000	114,787	524,787
2028	425,000	98,088	523,088
2029	435,000	80,888	515,888
Thereafter 4 Years (2030-2033)	1,925,000	146,906	2,071,906
	<u>\$ 3,970,000</u>	<u>\$ 717,944</u>	<u>\$ 4,687,944</u>

The bond payments will be paid from the Debt Service Fund.

C. Bonds Authorized But Not Issued:

As of June 30, 2024, the Board had no bonds authorized but not issued.

D. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the long-term liabilities. The current portion of the compensated absences balance of the governmental funds is \$74,791 and is separated from the long-term portion of compensated absences of \$1,489,253. The General Fund will be used to liquidate the governmental funds Compensated Absences Payable.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

D. Compensated Absences Payable: (Cont'd)

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2024, \$-0- is recorded for compensated absences in the Enterprise Funds.

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2024 is \$-0- and the long-term portion is \$4,387,912. See Note 8 for further information on the PERS.

F. Financed Purchases Payable:

The District has a financed purchase agreement for an energy savings improvement project valued at \$2,176,335 of which \$583,131 has matured and been repaid, and \$189,185 has been cancelled and will be used to reduce upcoming principal payments. The financed purchases agreement is for a term of 15 years. The following is a schedule of the future minimum financed purchases payments, and the present value of the net minimum financed purchases payments at June 30, 2024.

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ 37,126
2026	128,731
2027	132,988
2028	136,212
2029	139,510
Thereafter 5 Years (2030-2034)	749,666
Thereafter 2 Years (2035-2036)	327,600
	<u>1,651,833</u>
Less amount representing interest	<u>(247,814)</u>
Present Value Net of Minimum Financed Purchases Payments	<u><u>\$ 1,404,019</u></u>

The current portion of the financed purchases payable at June 30, 2024 is \$-0- and the long-term portion is \$1,404,019. The General Fund will be used to liquidate the financed purchases payable.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 8. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax qualified contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about the PERS, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service. The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions (Cont'd)

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

District contributions to PERS amounted to \$418,122 for the current fiscal year. During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$13,684 to the PERS for normal pension benefits on behalf of the District.

The employee contribution rate was 7.50% effective July 1, 2018.

Special Funding Situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statement of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entity's total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must disclose pension expense as well as revenue associated with the employers in an amount equal to the nonemployer contributing entity's total proportionate share of the collective pension expense associated with the local participating employer.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District's liability was \$4,387,912 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.0303%, which was a decrease of 0.0020% from its proportion measured as of June 30, 2022.

For the fiscal year ended June 30, 2024, the District recognized an actual pension benefit in the amount of \$167,241 related to the District's proportionate share of the net pension liability. Additionally, for the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$13,684 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Cont'd)

There was no state proportionate share of net pension liability attributable to the District as of June 30, 2023.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2019	5.21		\$ 23,834
	2020	5.16		216,876
	2021	5.13	\$ 9,639	
	2022	5.04		25,216
			<u>9,639</u>	<u>265,926</u>
Difference Between Expected and Actual Experience	2019	5.21	1,822	
	2020	5.16	12,083	
	2021	5.13		7,665
	2022	5.04		10,271
	2023	5.08	28,049	
			<u>41,954</u>	<u>17,936</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2020	5.00	67,953	
	2021	5.00	(565,127)	
	2022	5.00	672,363	
	2023	5.00	(154,982)	
			<u>20,207</u>	
Changes in Proportion	2019	5.21		5,572
	2020	5.16	14,511	
	2021	5.13		176,730
	2022	5.04	21,695	
	2023	5.08		268,133
			<u>36,206</u>	<u>450,435</u>
District Contribution Subsequent to the Measurement Date	2023	1.00	484,889	
			<u>\$ 592,895</u>	<u>\$ 734,297</u>

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions
(Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to measurement date) related to pensions will be recognized in the pension benefit as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2024	\$ (231,664)
2025	(129,307)
2026	180,697
2027	(32,338)
2028	550
	<u>\$ (212,062)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 6.55% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2023 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2023				
		At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$	5,702,683	\$ 4,387,912	\$ 3,255,437

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer. During the fiscal year ended 2024, the State of New Jersey contributed \$4,855,384 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$1,434,753.

The employee contribution rate was 7.50% effective July 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the State's proportionate share of the net pension liability associated with the District was \$58,401,429. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2023, the District's proportion was 0.1144%, which was a decrease of 0.0032% from its proportion measured as of June 30, 2022.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>58,401,429</u>
Total	<u>\$ 58,401,429</u>

For the fiscal year ended June 30, 2023, the State recognized pension expense on behalf of the District in the amount of \$1,434,753 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2024 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2016	8.30	\$ 391,340,712	
	2017	8.30		\$ 2,080,865,206
	2018	8.29		1,883,063,885
	2019	8.04		1,514,535,609
	2020	7.99	805,517,879	
	2021	7.93		9,179,534,541
	2022	7.83	82,066,487	
			<u>1,278,925,078</u>	<u>14,657,999,241</u>
Difference Between Expected and Actual Experience	2016	8.30		4,866,656
	2017	8.30	37,022,988	
	2018	8.29	330,339,649	
	2019	8.04		58,842,090
	2020	7.99		4,293,040
	2021	7.93	121,815,868	
	2022	7.83		15,372,285
	2023	7.93	169,161,907	
			<u>658,340,412</u>	<u>83,374,071</u>

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Cont'd)

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual	2020	5.00	\$ 241,395,539	
Investment Earnings on Pension Plan Investments	2021	5.00	(1,777,316,905)	
	2022	5.00	2,489,500,994	
	2023	6.00	(477,296,442)	
			<u>476,283,186</u>	
			<u>\$ 2,413,548,676</u>	<u>\$ 14,741,373,312</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2024	\$ (3,918,676,894)
2025	(3,446,016,070)
2026	(1,604,289,401)
2027	(1,742,641,843)
2028	(1,672,806,952)
Thereafter	<u>56,606,524</u>
	<u>\$ (12,327,824,636)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022 which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases	2.75 – 4.25% based on years of service
Investment Rate of Return	7.00%

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions (Cont'd)

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the Board of Trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all projected benefit payments in determining the total pension liability.

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of net pension liability associated with the District as of June 30, 2023 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 68,865,883	\$ 58,401,429	\$ 49,587,872

Pension Plan Fiduciary Net Position

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

For DCRP, the District recognized pension expense of \$50,272 for the fiscal year ended June 30, 2024. Employee contributions to DCRP amounted to \$67,857 for the fiscal year ended June 30, 2024.

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired Employees Plan

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Employees Covered by Benefit Terms

At June 30, 2022, the plan membership consisted of the following:

Retiree Plan Members and Spouses of Retirees Currently Receiving Benefit Payments	152,383
Active Plan Members	<u>217,212</u>
Total	<u><u>369,595</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases:	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%
	based on years of service	based on years of service	based on years of service

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 – June 30, 2021.

100% of active employees are considered to participate in the Plan upon retirement.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees were based on the Pub-2010 “Safety” (PFRS), “General” (PERS) and “Teachers” (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	\$ 65,336,248
Changes for Year:	
Service Cost	2,462,349
Interest on the Total OPEB Liability	2,379,934
Difference between Actual and Expected Experience	(944,826)
Changes of Assumptions	136,205
Gross Benefit Payments by the State	(1,855,197)
Contributions from Members	<u>60,989</u>
Net Changes	<u>2,239,454</u>
Balance at June 30, 2023	<u>\$ 67,575,702</u>

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	At 1% Decrease (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
Total OPEB Liability Attributable to the District	\$ 79,220,909	\$ 67,575,702	\$ 58,225,952

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2023, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2023		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 56,098,251	\$ 67,575,702	\$ 82,593,976

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024 the District recognized OPEB expense of \$1,311,233 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2023, the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

(Continued)

NOTE 9. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired Employees Plan (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 2,435,008
	2018	9.51		2,520,451
	2019	9.29	\$ 370,798	
	2020	9.24	9,065,396	
	2021	9.24	51,597	
	2022	9.13		13,693,019
	2023	9.30	121,559	
			<u>9,609,350</u>	<u>18,648,478</u>
Differences between Expected and Actual Experience	2018	9.51		2,382,610
	2019	9.29		4,364,315
	2020	9.24	8,449,305	
	2021	9.24		9,922,600
	2022	9.13	1,410,184	
	2023	9.30		1,129,241
			<u>9,859,489</u>	<u>17,798,766</u>
Changes in Proportion	N/A	N/A	1,434,196	1,507,940
			<u>\$ 20,903,035</u>	<u>\$ 37,955,184</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources excluding changes in proportion related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2024	\$ (3,369,934)
2025	(3,369,934)
2026	(2,928,949)
2027	(1,726,797)
2028	(353,455)
Thereafter	<u>(5,229,336)</u>
	<u>\$ (16,978,405)</u>

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains their dental benefits insurance through Delta Dental Plan of New Jersey and their prescription drug coverage through Benecard Services.

Property and Liability Insurance

The District is a member of the School Alliance Insurance Fund (the “Fund”) and the Schools Health Insurance Fund (the “SHIF”). The Fund and the SHIF are public entity risk management pools. The Fund provides general liability, property and automobile coverage and workers’ compensation for its members. The SHIF provides medical benefits coverage for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

The Fund and the SHIF are risk-sharing public entity risk pools that are insured and self-administered groups of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund and the SHIF are elected.

As a member of this Fund and the SHIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund or the SHIF were to be exhausted, members would become responsible for their respective shares of the Fund’s and SHIF’s liabilities. The Fund and SHIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the respective membership body.

The June 30, 2024 audits are not available for the Fund and SHIF as of the date of this report. Selected, summarized financial information for the Fund and SHIF as of June 30, 2023 are as follows:

	<u>School Alliance Insurance Fund</u>	<u>Schools Health Insurance Fund</u>
Total Assets	\$ 55,099,784	\$ 193,919,700
Net Position	\$ 19,896,776	\$ 122,648,426
Total Revenue	\$ 53,694,497	\$ 479,446,780
Total Expenses	\$ 54,788,356	\$ 465,267,220
Change in Net Position	\$ (1,093,859)	\$ 14,179,560
Members Dividends	\$ -0-	\$ -0-

Financial statements for the Fund and SHIF are available at the Fund’s and SHIF’s Executive Director’s Offices:

Public Entity Group Administrative Services
51 Everett Drive
Suite B-40
West Windsor, NJ 08550
(609) 275-1155

PERMA Risk Management Services
9 Campus Drive, Suite 216
Parsippany, NJ 07054
(201) 881-7632

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Contributory Method”. Under this plan, the District is required to remit employee withholdings to the State on a quarterly basis. All of the District’s claims are paid by the State.

NOTE 11. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Intrafund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund		\$ 100
Food Service Fund	\$ 100	
	<u>\$ 100</u>	<u>\$ 100</u>

The interfund receivable in Food Service is due to the Local Food for Schools Cooperative Agreement Program grant collected in General Fund in the current year.

NOTE 13. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

Variable Annuity Life (VALIC)
Equitable Life Assurance
Met Life
Ameriprise

Equitable Life Assurance is the plan administrator for the District’s Internal Revenue Code Section 457 plan.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 14. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 15. TRANSFERS TO CAPITAL OUTLAY

During the fiscal year ended June 30, 2024, the District transferred \$566,496 to the capital outlay accounts. \$101,236 was transferred to equipment which did not require County Superintendent approval. The \$465,260 transferred to facilities and construction services required approval from the County Superintendent, which the District obtained.

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

The District participates in state and federally assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in pending lawsuits. The District estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2024, there were encumbrances as detailed below in the governmental funds.

General Fund	Special Revenue Fund	Total Governmental Funds
<u>\$ 801,378</u>	<u>\$ 532,476</u>	<u>\$ 1,333,854</u>

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 16. COMMITMENTS AND CONTINGENCIES (Cont'd)

Encumbrances (Cont'd)

On the District's Governmental Funds Balance Sheet as of June 30, 2024, \$621,693 is assigned for year-end encumbrances in the General Fund, which is \$179,685 less than the actual year-end encumbrances on a budgetary basis due to the final two state aid payments which are not recognized on a GAAP basis. On the District's Governmental Funds Balance Sheet as of June 30, 2024, \$0- is assigned for year-end encumbrances in the Special Revenue Fund, which is \$532,476 less than the actual year-end encumbrances on a budgetary basis. Encumbrances are not recognized on a GAAP basis and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

NOTE 17. ACCOUNTS PAYABLE

Accounts payable recorded in the District's Governmental and Business-Type Activities as of June 30, 2024 consisted of the following:

	<u>Governmental Funds</u>		District Contri- bution Subsequent to the Measure- ment Date	Total Governmental Activities	<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>			<u>Proprietary Funds</u>
Due to State of New Jersey	\$ 25,323	\$ 155,780	\$ 484,889	\$ 665,992	
Vendors	193,080	6,894		199,974	\$ 59,293
Payroll Deductions and Withholdings	56,317			56,317	
	<u>\$ 274,720</u>	<u>\$ 162,674</u>	<u>\$ 484,889</u>	<u>\$ 922,283</u>	<u>\$ 59,293</u>

NOTE 18. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Town of Newton recognized revenue in the amount of \$1,602,879 from twelve payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2023 without the abatements would have been \$8,272,762 of which \$4,138,222 would have been for the local school tax.

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

TOWN OF NEWTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
District's proportion of the net pension liability	0.0359669078%	0.0359246917%	0.0348857478%	0.0336168274%	0.0343840290%	0.0337729170%	0.0340596141%	0.0321080856%	0.0322971840%	0.0302941072%
District's proportionate share of the net pension liability	\$ 6,733,989	\$ 8,064,373	\$ 10,332,158	\$ 7,825,460	\$ 6,770,044	\$ 6,085,367	\$ 5,554,232	\$ 3,803,684	\$ 4,874,090	\$ 4,387,912
District's covered employee payroll	\$ 2,360,211	\$ 2,399,913	\$ 2,382,232	\$ 2,400,136	\$ 2,431,543	\$ 2,443,555	\$ 2,021,434	\$ 2,368,619	\$ 2,299,695	\$ 2,458,172
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	285.31%	336.03%	433.72%	326.04%	278.43%	249.04%	274.77%	160.59%	211.95%	178.50%
Plan fiduciary net position as a percentage of the total pension liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%	62.91%	65.23%

TOWN OF NEWTON SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 296,506	\$ 308,856	\$ 313,882	\$ 314,605	\$ 359,908	\$ 329,934	\$ 372,595	\$ 376,023	\$ 407,283	\$ 418,122
Contributions in relation to the contractually required contribution	(296,506)	(308,856)	(313,882)	(314,605)	(359,908)	(329,934)	(372,595)	(376,023)	(407,283)	(418,122)
Contribution deficiency/(excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's covered employee payroll	\$ 2,399,913	\$ 2,382,232	\$ 2,400,136	\$ 2,431,543	\$ 2,443,555	\$ 2,021,434	\$ 2,368,619	\$ 2,299,695	\$ 2,458,172	\$ 2,537,592
Contributions as a percentage of covered employee payroll	12.35%	12.96%	13.08%	12.94%	14.73%	16.32%	15.73%	16.35%	16.57%	16.48%

TOWN OF NEWTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
State's proportion of the net pension liability attributable to the District	0.1148342805%	0.1155748610%	0.1156150713%	0.1194262173%	0.1230806725%	0.1240042191%	0.1221455166%	0.1218566845%	0.1176271248%	0.1144392984%
State's proportionate share of the net pension liability attributable to the District	\$ 61,375,185	\$ 73,048,248	\$ 90,950,176	\$ 80,521,462	\$ 78,301,280	\$ 76,102,560	\$ 80,431,353	\$ 58,582,831	\$ 60,689,028	\$ 58,401,429
District's covered employee payroll	\$ 11,700,126	\$ 12,148,503	\$ 12,579,678	\$ 12,978,597	\$ 12,973,564	\$ 13,371,248	\$ 13,299,085	\$ 12,715,178	\$ 13,087,475	\$ 13,633,977
State's proportionate share of the net pension liability as a percentage of its covered employee payroll	524.57%	601.29%	722.99%	620.42%	603.54%	569.15%	604.79%	460.73%	463.72%	428.35%
Plan fiduciary net position as a percentage of the total pension liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%	32.29%	34.68%

TOWN OF NEWTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Contractually required contribution	\$ 3,302,561	\$ 4,460,253	\$ 6,833,640	\$ 5,578,119	\$ 4,564,691	\$ 4,488,732	\$ 5,001,564	\$ 1,378,480	\$ 1,633,311	\$ 1,434,753
Contributions in relation to the contractually required contribution	(624,840)	(925,660)	(1,296,340)	(1,812,544)	(2,438,863)	(2,679,119)	(3,542,226)	(4,842,304)	(4,678,347)	(4,855,384)
Contribution deficiency/(excess)	\$ 2,677,721	\$ 3,534,593	\$ 5,537,300	\$ 3,765,575	\$ 2,125,828	\$ 1,809,613	\$ 1,459,338	\$ (3,463,824)	\$ (3,045,036)	\$ (3,420,631)
District's covered employee payroll	\$ 12,148,503	\$ 12,579,678	\$ 12,978,597	\$ 12,973,564	\$ 13,371,248	\$ 13,299,085	\$ 12,715,178	\$ 13,087,475	\$ 13,633,977	\$ 14,385,762
Contributions as a percentage of covered employee payroll	5.14%	7.36%	9.99%	13.97%	18.24%	20.15%	27.86%	37.00%	34.31%	33.75%

SCHOOL DISTRICT OF THE TOWN OF NEWTON
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL
OPEB LIABILITY ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Fiscal Year Ending June 30,					
	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service Cost	\$ 2,758,832	\$ 2,294,109	\$ 1,992,651	\$ 2,018,957	\$ 3,751,822	\$ 3,193,263
Interest	2,229,781	2,580,182	2,356,407	1,894,886	1,969,106	1,731,483
Changes of Benefits Terms					(80,794)	
Differences between Expected and Actual Experience		(7,351,200)	(10,397,608)	15,083,222	(14,422,126)	3,691,661
Changes in Assumptions	(9,133,798)	(6,848,113)	787,868	15,730,216	74,888	(17,527,035)
Member Contributions	60,164	55,150	48,083	45,440	50,340	55,021
Gross Benefit Payments	(1,633,892)	(1,595,713)	(1,622,070)	(1,499,188)	(1,551,104)	(1,715,085)
Net Change in Total OPEB Liability	(5,718,913)	(10,865,585)	(6,834,669)	33,273,533	(10,207,868)	(10,570,692)
Total OPEB Liability - Beginning	76,260,442	70,541,529	59,675,944	52,841,275	86,114,808	75,906,940
Total OPEB Liability - Ending	\$ 70,541,529	\$ 59,675,944	\$ 52,841,275	\$ 86,114,808	\$ 75,906,940	\$ 65,336,248
District's Covered Employee Payroll *	\$ 14,961,910	\$ 15,378,733	\$ 15,405,107	\$ 15,814,803	\$ 15,320,519	\$ 15,083,797
Total OPEB Liability as a Percentage of Covered Employee Payroll	471%	388%	343%	545%	495%	433%
						439%

* - Covered payroll for the fiscal years ending June 30, 2017-2023 are based on the payroll on the June 30, 2016-2022 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

There were none.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2022 actuarial valuation the salary increases were 2.75 – 4.25% based on years of service while in the July 1, 2021 actuarial valuation the salary increases were 2.75% – 5.65% based on years of service.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2023 was 3.65%. The discount rate for June 30, 2022 was 3.54%, a change of .11%.

The health care trend rates in the valuation as of June 30, 2023 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 14.8% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.4% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

The health care trend rates in the valuation as of June 30, 2022 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long term rate after eight years.

BUDGETARY COMPARISON SCHEDULES

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Local Sources:					
Local Tax Levy	\$ 13,592,599		\$ 13,592,599	\$ 13,592,599	
Tuition From Other LEAs Within the State	6,631,805		6,631,805	6,729,343	\$ 97,538
Transportation Fees From Other LEAs	4,200		4,200		(4,200)
Rents and Royalties	40,000		40,000		(40,000)
Unrestricted Miscellaneous Revenues				257,298	257,298
Interest Earned on Capital Reserve Funds				51,574	51,574
Total Revenues from Local Sources	20,268,604		20,268,604	20,630,814	362,210
Revenues from State Sources:					
School Choice Aid	37,945		37,945	37,945	
Categorical Transportation Aid	229,942		229,942	229,942	
Extraordinary Aid	70,000		70,000	284,119	214,119
Categorical Special Education Aid	657,557		657,557	657,557	
Equalization Aid	11,885,199		11,885,199	11,885,199	
Categorical Security Aid	221,598		221,598	221,598	
Excess Nonpublic School Transportation Costs				3,640	3,640
Homeless Tuition Reimbursement				40,557	40,557
Education Services				21,523	21,523
TPAF Post Retirement Contributions (Non-Budgeted)				1,336,528	1,336,528
TPAF Pension Contributions (Non-Budgeted)				4,855,384	4,855,384
TPAF Non-Contributory Insurance (Non-Budgeted)				55,373	55,373
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,021	2,021
Reimbursed TPAF Social Security Contributions				1,057,037	1,057,037
Total Revenues from State Sources	13,102,241		13,102,241	20,688,423	7,586,182

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues from Federal Sources:					
Medicaid Reimbursement	\$ 46,129		\$ 46,129	\$ 79,825	\$ 33,696
Total Revenues from Federal Sources	46,129		46,129	79,825	33,696
 TOTAL REVENUE	 33,416,974		 33,416,974	 41,399,062	 7,982,088
 GENERAL CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	418,731	\$ 48,949	467,680	467,680	
Grades 1-5 - Salaries of Teachers	2,091,824	123,104	2,214,928	2,214,187	741
Grades 6-8 - Salaries of Teachers	2,173,761	(103,845)	2,069,916	2,069,916	
Grades 9-12 - Salaries of Teachers	4,457,311	2,280	4,459,591	4,450,877	8,714
Regular Programs - Home Instruction:					
Salaries of Teachers	17,500	16,610	34,110	32,786	1,324
Purchased Professional-Educational Services	12,130	(3,692)	8,438	5,868	2,570
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	10,000	(10,000)			
Purchased Professional-Educational Services	800	12,489	13,289	2,725	10,564
Purchased Technical Services	292,607	(63,411)	229,196	215,399	13,797
Other Purchased Services (400-500 series)	125,835	(7,579)	118,256	102,560	15,696
General Supplies	403,889	201,368	605,257	560,039	45,218
Textbooks	83,539	(47,246)	36,293	35,461	832
Other Objects	363,272	(155,850)	207,422	7,563	199,859
Total Regular Programs - Instruction	10,451,199	13,177	10,464,376	10,165,061	299,315
 Special Education - Instruction:					
Learning and/or Language Disabilities - Mild to Moderate:					
Salaries of Teachers	412,095	(73,463)	338,632	337,707	925
Other Salaries for Instruction	42,684	86,968	129,652	129,543	109

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Learning and/or Language Disabilities - Mild to Moderate: (Cont'd)					
General Supplies	\$ 1,100	\$ (500)	\$ 600	\$ 204	\$ 396
Other Objects	1,550		1,550	401	1,149
Total Learning and/or Language Disabilities - Mild to Moderate	457,429	13,005	470,434	467,855	2,579
Emotional Regulation Improvement:					
Salaries of Teachers	149,108		149,108	149,108	
Other Salaries for Instruction	40,706	6,883	47,589	47,588	1
General Supplies	750		750	252	498
Total Emotional Regulation Improvement	190,564	6,883	197,447	196,948	499
Multiple Disabilities:					
Salaries of Teachers	281,519	(22,152)	259,367	245,915	13,452
Other Salaries for Instruction	149,654	79,891	229,545	199,983	29,562
General Supplies	10,980	(6,319)	4,661	1,799	2,862
Other Objects	3,600		3,600	2,624	976
Total Multiple Disabilities	445,753	51,420	497,173	450,321	46,852
Resource Room/Resource Center:					
Salaries of Teachers	840,861	(75,028)	765,833	765,342	491
Other Salaries for Instruction	175,440	(68,546)	106,894	102,812	4,082
General Supplies	3,338	(700)	2,638	139	2,499
Total Resource Room/Resource Center	1,019,639	(144,274)	875,365	868,293	7,072

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Preschool Disabilities - Full-Time:					
Salaries of Teachers	\$ 263,759	\$ (3,082)	\$ 260,677	\$ 260,677	
Other Salaries for Instruction	89,661	(3,303)	86,358	86,343	\$ 15
Total Preschool Disabilities - Full-Time	353,420	(6,385)	347,035	347,020	15
Home Instruction:					
Salaries of Teachers	3,600	8,405	12,005		12,005
Total Home Instruction	3,600	8,405	12,005		12,005
TOTAL SPECIAL EDUCATION - INSTRUCTION	2,470,405	(70,946)	2,399,459	2,330,437	69,022
Bilingual Education - Instruction:					
Salaries of Teachers	220,471	16,563	237,034	236,693	341
Other Salaries for Instruction	84,836	8,521	93,357	93,355	2
Purchased Professional-Educational Services	980	79	1,059	759	300
Total Bilingual Education - Instruction	306,287	25,163	331,450	330,807	643
School-Spon. Cocurricular & Extracurricular Actvts. - Inst.:					
Salaries	207,852	28,388	236,240	228,441	7,799
Purchased Services (300-500 series)		9,670	9,670	7,421	2,249
Supplies and Materials	2,500	(937)	1,563	1,252	311
Other Objects	40,459	(4,000)	36,459	16,459	20,000
Total School-Spon. Cocurricular & Extracurricular Actvts. - Inst.	250,811	33,121	283,932	253,573	30,359
School-Sponsored Athletics - Instruction:					
Salaries	524,115	28,587	552,702	547,444	5,258
Purchased Services (300-500 series)	57,000	(2,860)	54,140	47,466	6,674
Supplies and Materials	69,360	(4,820)	64,540	60,307	4,233

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Sponsored Athletics - Instruction: (Cont'd)					
Other Objects	\$ 33,000		\$ 33,000	\$ 32,792	\$ 208
Transfers to Cover Deficit (Agency Funds)	30,000		30,000	30,000	
Total School-Sponsored Athletics - Instruction	713,475	\$ 20,907	734,382	718,009	16,373
TOTAL INSTRUCTION	14,192,177	21,422	14,213,599	13,797,887	415,712
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	296,400	131,385	427,785	427,785	
Tuition to County Voc. School Dist.-Regular	47,500	17,500	65,000	65,000	
Tuition to Priv. Sch. for the Handicap. W/I State	1,174,835	(296,530)	878,305	828,099	50,206
Tuition to Priv Sch Handicap & Oth LEAs-Spl,O/S St	120,000	(11,000)	109,000	27,775	81,225
Total Undistributed Expenditures - Instruction	1,638,735	(158,645)	1,480,090	1,348,659	131,431
Undistributed Expend. - Attend. & Social Work:					
Salaries	213,191	(5,233)	207,958	207,957	1
Total Undist. Expend. - Attendance and Social Work	213,191	(5,233)	207,958	207,957	1
Undistributed Expenditures - Health Services:					
Salaries	276,101	(5,500)	270,601	270,601	
Purchased Professional and Technical Services	31,160	159	31,319	25,935	5,384
Supplies and Materials	9,758	2,959	12,717	11,382	1,335
Other Objects	42,780	(8,972)	33,808		33,808
Total Undist. Expenditures - Health Services	359,799	(11,354)	348,445	307,918	40,527
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	206,280	14,966	221,246	219,880	1,366
Purchased Professional - Educational Services	367,412	28,387	395,799	354,133	41,666
Supplies and Materials	1,800		1,800	1,537	263
Other Objects		5,323	5,323		5,323
Total Undist. Expend. - Speech, OT, PT, Related Svcs	575,492	48,676	624,168	575,550	48,618

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Other Supp. Serv. Students - Extra. Serv.:					
Salaries	\$ 371,598	\$ 79,192	\$ 450,790	\$ 418,286	\$ 32,504
Purchased Professional - Educational Services	51,733	211	51,944	50,790	1,154
Supplies and Materials	1,400		1,400	1,049	351
Other Objects	25,690		25,690		25,690
Total Undist. Expend. - Other Supp. Servs. Students - Extra. Serv.	450,421	79,403	529,824	470,125	59,699
Undist. Expend. - Guidance:					
Salaries of Other Professional Staff	560,875	(6,491)	554,384	554,163	221
Salaries of Secretarial and Clerical Assistants	45,777		45,777	45,777	
Other Salaries	750	2,333	3,083	2,828	255
Purchased Professional - Educational Services	6,830	5,648	12,478	5,666	6,812
Other Purchased Prof. and Tech. Services	20,413	25,262	45,675	37,008	8,667
Supplies and Materials	8,000	(500)	7,500	7,424	76
Other Objects	1,290		1,290	975	315
Total Undist. Expend. - Guidance	643,935	26,252	670,187	653,841	16,346
Undist. Expend. - Child Study Team:					
Salaries of Other Professional Staff	544,697	(93,326)	451,371	448,104	3,267
Salaries of Secretarial and Clerical Assistants	119,529		119,529	119,308	221
Other Purchased Prof. and Tech. Services	3,600	6,908	10,508	10,508	
Other Purchased Services (400-500 series)	9,519	(2,531)	6,988	5,150	1,838
Supplies and Materials	5,260	(188)	5,072	3,456	1,616
Other Objects	73,289	(36,099)	37,190	1,010	36,180
Total Undist. Expend. - Child Study Team	755,894	(125,236)	630,658	587,536	43,122
Undist. Expend. - Improv. of Inst. Serv.:					
Salaries of Other Professional Staff	30,573	10,500	41,073	38,305	2,768
Total Undist. Expend. - Improv. of Inst. Serv.	30,573	10,500	41,073	38,305	2,768

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	\$ 164,790		\$ 164,790	\$ 164,790	
Salaries of Technology Coordinators	171,369		171,369	171,369	
Supplies and Materials	12,000	\$ (1,495)	10,505	10,459	\$ 46
Total Undist Expend-Edu. Media Serv./Sch. Library	348,159	(1,495)	346,664	346,618	46
Undist.Expend.-Instructional Staff Training Services:					
Salaries of Other Professional Staff	26,643		26,643	26,555	88
Purchased Professional - Educational Service		6,298	6,298	5,589	709
Other Purchased Services (400-500 series)	2,000	946	2,946	2,946	
Supplies and Materials	250	5,286	5,536	4,565	971
Other Objects	500	5,500	6,000	6,000	
Total Undist.Expend.-Instructional Staff Training Services	29,393	18,030	47,423	45,655	1,768
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	281,363	(3,307)	278,056	278,056	
Legal Services	53,228	(9,533)	43,695	38,068	5,627
Audit Fees	45,300	(2,850)	42,450	42,450	
Architectural/Engineering Services	10,000		10,000	875	9,125
Other Purchased Professional Services	10,000	(4,905)	5,095	5,095	
Purchased Technical Services		19,872	19,872	19,872	
Communications / Telephone	82,621	(12,787)	69,834	62,843	6,991
BOE Other Purchased Services	5,500	977	6,477	6,038	439
Other Purch. Serv. (400-500 series other than 530 & 585)	118,633	48,390	167,023	167,022	1
General Supplies	2,500	(599)	1,901	1,879	22
BOE In-house training/ Meeting Supplies	700	(458)	242	234	8
Miscellaneous Expenditures	4,500	26,384	30,884	30,883	1
BOE Membership Dues and Fees	12,000	798	12,798	12,798	
Total Undist. Expend.-Support Serv.-Gen. Admin.	626,345	61,982	688,327	666,113	22,214

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.:					
Salaries of Principals/Assistant Principals/Prog Director	\$ 882,058	\$ (28,143)	\$ 853,915	\$ 845,280	\$ 8,635
Salaries of Other Professional Staff	296,405	(1,909)	294,496	285,955	8,541
Salaries of Secretarial and Clerical Assistants	295,037	(10,746)	284,291	279,737	4,554
Unused Vacation Payment to Terminated/Retired Staff	25,000	38,398	63,398	58,910	4,488
Other Purchased Services (400-500 series)	1,352	2,561	3,913	3,280	633
Supplies and Materials	6,970	9,827	16,797	15,982	815
Other Objects	36,370	93,183	129,553	31,704	97,849
Total Undist. Expend.-Support Serv.-School Adm.	1,543,192	103,171	1,646,363	1,520,848	125,515
Undist. Expend. - Central Services:					
Salaries	430,162	12,000	442,162	433,958	8,204
Unused Vacation Payment to Terminated/Retired Staff		10,000	10,000		10,000
Purchased Professional Services	9,250	(1,059)	8,191	7,084	1,107
Miscellaneous Purchased Services (400-500 series other than 594)	13,223	3,851	17,074	13,667	3,407
Supplies and Materials	4,500	1,112	5,612	5,587	25
Miscellaneous Expenditures	12,319	17,657	29,976	14,186	15,790
Total Undist. Expend. - Central Services	469,454	43,561	513,015	474,482	38,533
Undist. Expend. - Admin. Info. Technology:					
Salaries	141,961	(3,500)	138,461	138,059	402
Unused Vacation Payment to Terminated/Retired Staff		6,771	6,771	6,771	
Purchased Technical Services	111,138	(10,713)	100,425	83,753	16,672
Other Purchased Services (400-500 series)		2,784	2,784	2,784	
Supplies and Materials	10,251	(358)	9,893	9,577	316
Other Objects	515	7,253	7,768	1,286	6,482
Total Undist. Expend. - Admin. Info. Technology	263,865	2,237	266,102	242,230	23,872

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	\$ 259,860	\$ (15,782)	\$ 244,078	\$ 240,718	\$ 3,360
Cleaning, Repair, and Maintenance Services	267,425	78,517	345,942	227,965	117,977
General Supplies	97,041	(6,315)	90,726	87,821	2,905
Other Objects	4,900	(400)	4,500	4,269	231
Total Undist. Expend. - Required Maint. for School Facilities	629,226	56,020	685,246	560,773	124,473
Undist. Expend.-Custodial Services:					
Salaries	774,360	28,036	802,396	782,823	19,573
Salaries of Non-Instructional Aides	2,046	(2,046)			
Unused Vacation Payment to Terminated/Retired Staff		3,000	3,000		3,000
Purchased Professional and Technical Services	12,650	6,050	18,700	16,177	2,523
Cleaning, Repair, and Maintenance Services	44,595	3,713	48,308	47,808	500
Lease Purchase Pymts - Energy Savings Impr Prog	248,995	(8,617)	240,378	239,186	1,192
Other Purchased Property Services	47,953	(5,206)	42,747	25,493	17,254
Insurance	151,743	49,146	200,889	200,889	
General Supplies	105,762	9,793	115,555	107,826	7,729
Energy (Natural Gas)	254,250	(40,000)	214,250	191,083	23,167
Energy (Electricity)	298,577	(65,247)	233,330	196,396	36,934
Other Objects	93,085	(32,254)	60,831	9,564	51,267
Total Undist. Expend.-Custodial Services	2,034,016	(53,632)	1,980,384	1,817,245	163,139
Care and Upkeep of Grounds:					
Salaries	79,119		79,119	76,895	2,224
Cleaning, Repair, and Maintenance Services	31,141	(1,550)	29,591	28,101	1,490
General Supplies	24,656	(281)	24,375	20,345	4,030
Total Care And Upkeep Of Grounds	134,916	(1,831)	133,085	125,341	7,744

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Security:					
Salaries	\$ 237,427	\$ (4,734)	\$ 232,693	\$ 206,320	\$ 26,373
General Supplies	6,672	459	7,131	7,131	
Total Security	244,099	(4,275)	239,824	213,451	26,373
Total Undist. Expend.-oper. And Maint. Of Plant Serv.	3,042,257	(3,718)	3,038,539	2,716,810	321,729
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	134,675	(8,665)	126,010	123,913	2,097
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.	37,161	5,493	42,654	39,234	3,420
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	52,400	7,860	60,260	45,272	14,988
Management Fee - ESC&CTSA Transportation Program	30,800		30,800	24,187	6,613
Cleaning, Repair, and Maint. Services	75,000	17,500	92,500	92,167	333
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studs	51,863	(12,099)	39,764	39,240	524
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	23,152	20,407	43,559	38,370	5,189
Contract. Serv.(Bet. Home & Sch.)-Joint Agrmnts.	50,000	(11,538)	38,462	32,636	5,826
Contract. Serv.(Spl. Ed. Students)-Vendors	819,904	(78,640)	741,264	619,932	121,332
Misc. Purchased Serv. - Transportation	51,741	(6,814)	44,927	44,725	202
General Supplies	17,500	15,575	33,075	33,075	
Other Objects	25,385	15,193	40,578	33,216	7,362
Total Undist. Expend.-Student Trans. Serv.	1,369,581	(35,728)	1,333,853	1,165,967	167,886
UNALLOCATED BENEFITS					
Social Security Contributions	430,000	3,423	433,423	433,423	
Other Retirement Contributions - PERS	532,951	(106,744)	426,207	418,122	8,085
Other Retirement Contributions - Regular	58,000	(6,000)	52,000	50,272	1,728
Unemployment Compensation	80,000	(967)	79,033	74,554	4,479
Workers Compensation	256,716	(67,617)	189,099	187,015	2,084
Health Benefits	5,331,507	(423,485)	4,908,022	4,654,500	253,522
Tuition Reimbursement	28,000		28,000	28,000	
Other Employee Benefits	339,705	(103,815)	235,890	234,399	1,491

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
UNALLOCATED BENEFITS (Cont'd)					
Unused Sick Payment to Terminated/Retired Staff	\$ 69,126	\$ 69,126	\$ 69,126	\$ 69,126	
TOTAL UNALLOCATED BENEFITS	\$ 7,056,879	(636,079)	6,420,800	6,149,411	\$ 271,389
ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)					
TPAF Post Retirement Contributions (Non-Budgeted)				1,336,528	(1,336,528)
TPAF Pension Contributions (Non-Budgeted)				4,855,384	(4,855,384)
TPAF Non-Contributory Insurance (Non-Budgeted)				55,373	(55,373)
TPAF Long-Term Disability Insurance (Non-Budgeted)				2,021	(2,021)
Reimbursed TPAF Social Security Contributions				1,057,037	(1,057,037)
TOTAL ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)				7,306,343	(7,306,343)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	7,056,879	(636,079)	6,420,800	13,455,754	(7,034,954)
TOTAL UNDISTRIBUTED EXPENDITURES	19,417,165	(583,676)	18,833,489	24,824,368	(5,990,879)
TOTAL GENERAL CURRENT EXPENSE	33,609,342	(562,254)	33,047,088	38,622,255	(5,575,167)
CAPITAL OUTLAY					
Equipment					
Grades 6-8		3,630	3,630		3,630
Grades 9-12		25,686	25,686	19,787	5,899
Undistributed:					
Undistributed Expenditures - Instruction		24,260	24,260	5,435	18,825
Undistributed Expenditures - General Admin.		2,719	2,719	2,719	
Undist. Expend. - Required Maint for School Fac.		44,941	44,941	5,715	39,226
School Buses - Regular	281,090		281,090	131,090	150,000
Total Equipment	281,090	101,236	382,326	164,746	217,580

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	\$ 24,035	\$ 73,500	\$ 73,500	\$ 70,300	\$ 3,200
Construction Services	37,614	391,760	415,795	138,910	276,885
Assessment for Debt Service on SDA Funding	61,649	465,260	526,909	37,614	280,085
Total Facilities Acquisition and Const. Serv.				246,824	
TOTAL CAPITAL OUTLAY	342,739	566,496	909,235	411,570	497,665
Transfer of Funds to Charter Schools	282,639	156,217	438,856	438,856	
TOTAL EXPENDITURES	34,234,720	160,459	34,395,179	39,472,681	(5,077,502)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(817,746)	(160,459)	(978,205)	1,926,381	2,904,586
Other Financing Sources/(Uses):					
Transfers to Special Revenue Fund for Preschool Inclusion	(174,610)		(174,610)	(174,610)	
Transfers from Enterprise Fund - After Care Program				23,064	23,064
Total Other Financing Sources/(Uses)	(174,610)		(174,610)	(151,546)	23,064
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(992,356)	(160,459)	(1,152,815)	1,774,835	2,927,650
Fund Balance, July 1	4,668,869		4,668,869	4,668,869	
Fund Balance, June 30	\$ 3,676,513	\$ (160,459)	\$ 3,516,054	\$ 6,443,704	\$ 2,927,650

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Capital Reserve				\$ 4,211,466	
Maintenance Reserve				316,282	
Assigned Fund Balance:					
Year End Encumbrances				801,378	
Designated for Subsequent Year's Expenditures				250,000	
Unassigned Fund Balance				864,578	
				<u>6,443,704</u>	
				(1,294,263)	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,149,441</u>	

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	\$ 50,200	\$ 541,475	\$ 591,675	\$ 599,086	\$ 7,411
State Sources	2,070,545	15,663	2,086,208	1,807,089	(279,119)
Federal Sources	1,886,865	789,761	2,676,626	2,117,350	(559,276)
Total Revenues	4,007,610	1,346,899	5,354,509	4,523,525	(830,984)
Other Financing Sources:					
Transfer In - Board Contribution - General Fund	174,610		174,610	174,610	
Total Revenues and Other Financing Sources	4,182,220	1,346,899	5,529,119	4,698,135	(830,984)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	695,097	4,506	699,603	602,301	97,302
Other Salaries for Instruction	117,145	(16,609)	100,536	100,515	21
Purchased Professional and Technical Services		126,405	126,405	92,849	33,556
Other Purchased Services		5,478	5,478	5,478	
Tuition	344,167	70,521	414,688	414,688	
General Supplies	382,343	(109,761)	272,582	205,408	67,174
Other Objects		56,682	56,682	10,915	45,767
Total Instruction	1,538,752	137,222	1,675,974	1,432,154	243,820
Support Services:					
Salaries	257,233	387,269	644,502	501,730	142,772
Salaries of Program Directors	11,544	69,272	80,816	80,815	1
Salaries of Other Professional Staff	70,167	12,865	83,032	83,032	
Salaries of Secretarial and Clerical Assistants	3,784	11,800	15,584	15,583	1
Other Salaries	72,855	(4,707)	68,148	67,930	218
Salaries of Community Parent Involvement Specialists	28,116	(15,254)	12,862	12,861	1
Salaries of Master Teachers	61,061	11,286	72,347	72,347	
Personal Services - Employee Benefits	402,662	24,451	427,113	400,358	26,755
Purchased Professional and Technical Services	133,176	242,923	376,099	375,794	305
Purchased Education Services - Contracted Pre-K	866,949	1,260	868,209	868,209	
Purchased Education Services - Head Start	106,147	14,573	120,720	120,720	
Other Purchased Professional - Educational Services	9,233	10,132	19,365	183	19,182
Other Purchased Professional Services	1,000	29,675	30,675	675	30,000
Cleaning, Repair and Maintenance Services	55,242	5,133	60,375	13,529	46,846
Rentals	150,000	(74,052)	75,948	3,557	72,391
Contract Services-Transportation (Between Home and School)	50,000	(24,000)	26,000		26,000
Contract Services-Transportation (Field Trips)	1,500	1,500	3,000	468	2,532
Travel	500	5,807	6,307	625	5,682
Miscellaneous Purchased Services	600	10,000	10,600		10,600
Supplies and Materials	87,089	(32,068)	55,021	19,408	35,613
Other Objects	174,610	(114,451)	60,159	19,958	40,201
Student Activities		569,534	569,534	569,534	
Scholarships Awarded		15,230	15,230	15,230	
Total Support Services	2,543,468	1,158,178	3,701,646	3,242,546	459,100
Facilities Acquisition:					
Instructional Equipment		7,300	7,300	5,785	1,515
Non-Instructional Equipment	100,000	44,199	144,199	10,239	133,960
Total Facilities Acquisition	100,000	51,499	151,499	16,024	135,475
Total Expenditures	\$ 4,182,220	\$ 1,346,899	\$ 5,529,119	\$ 4,690,724	\$ 838,395
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ 7,411	\$ 7,411

TOWN OF NEWTON SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Note A - Explanation of Differences between Budgetary Inflows and Outflows and
GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" and Other Financing Sources from the Budgetary Comparison Schedule	\$ 41,399,062	\$ 4,698,135
Difference - Budgetary to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Current Year Encumbrances		(532,476)
Cancellation of Prior Year Encumbrances		(7,360)
Prior Year Encumbrances		217,863
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	1,068,984	170,653
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(1,294,263)	(180,282)
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 41,173,783</u>	<u>\$ 4,366,533</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 39,472,681	\$ 4,690,724
Differences - Budgetary to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(532,476)
Cancellation of Prior Year Encumbrances		(7,360)
Prior Year Encumbrances		217,863
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 39,472,681</u>	<u>\$ 4,368,751</u>

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budget for the fiscal year ended June 30, 2024 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The general and the special revenue funds budgetary revenue differs from the GAAP revenue due to a difference in the recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

SPECIAL REVENUE FUND

TOWN OF NEWTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	I.D.E.A.					
	Basic			Preschool		
	FY24	FY23	FY22 - ARP	FY24	FY23	FY22 - ARP
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 429,459	\$ 2,435	\$ 271	\$ 1,538	\$ 1,028	\$ 2,930
Total Revenues	429,459	2,435	271	1,538	1,028	2,930
Other Financing Sources:						
Transfer In - Board Contribution - General Fund						
Total Revenues and Other Financing Sources	429,459	2,435	271	1,538	1,028	2,930
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction						
Purchased Professional and Technical Services						
Other Purchased Services						
Tuition	414,688					
General Supplies	8,986	1,155			621	1,984
Other Objects						
Total Instruction	423,674	1,155			621	1,984
Support Services:						
Salaries						
Salaries of Program Directors						
Salaries of Other Professional Staff						
Salaries of Secretarial and Clerical Assistants						
Other Salaries						
Salaries of Community Parent Involvement Specialists						
Salaries of Master Teachers						
Personal Services - Employee Benefits						
Purchased Professional and Technical Services		1,211	271	1,321		197
Purchased Education Services - Contracted Pre-K						
Other Purchased Professional - Educational Services						
Other Purchased Professional Services						
Purchased Property Services						
Cleaning, Repair and Maintenance Services						
Rentals						
Other Purchased Services						
Supplies and Materials		69		217	407	749
Other Objects						
Student Activities						
Scholarships Awarded						
Total Support Services		1,280	271	1,538	407	946
Facilities Acquisition:						
Instructional Equipment	5,785					
Non-Instructional Equipment						
Total Facilities Acquisition	5,785					
Total Expenditures	\$ 429,459	\$ 2,435	\$ 271	\$ 1,538	\$ 1,028	\$ 2,930

TOWN OF NEWTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Elementary and Secondary Education Act					
	Title I		Title I SIA		Title IIA	
	FY24	FY23	FY24	FY23	FY24	FY23
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 314,365	\$ 3,613	\$ 13,402	\$ 1,884	\$ 59,826	\$ 3,189
Total Revenues	314,365	3,613	13,402	1,884	59,826	3,189
Other Financing Sources:						
Transfer In - Board Contribution - General Fund						
Total Revenues and Other Financing Sources	314,365	3,613	13,402	1,884	59,826	3,189
EXPENDITURES:						
Instruction:						
Salaries of Teachers	35,553			1,750		
Other Salaries for Instruction						
Purchased Professional and Technical Services	77,749					
Other Purchased Services						
Tuition						
General Supplies	134,589	3,613				
Other Objects						
Total Instruction	247,891	3,613		1,750		
Support Services:						
Salaries	48,274					
Salaries of Program Directors						
Salaries of Other Professional Staff						
Salaries of Secretarial and Clerical Assistants						
Other Salaries						
Salaries of Community Parent Involvement Specialists						
Salaries of Master Teachers						
Personal Services - Employee Benefits	3,366			134		
Purchased Professional and Technical Services	11,741		13,402		59,826	3,189
Purchased Education Services - Contracted Pre-K						
Other Purchased Professional - Educational Services						
Other Purchased Professional Services						
Purchased Property Services						
Cleaning, Repair and Maintenance Services						
Rentals						
Other Purchased Services						
Supplies and Materials	3,093					
Other Objects						
Student Activities						
Scholarships Awarded						
Total Support Services	66,474		13,402	134	59,826	3,189
Facilities Acquisition:						
Instructional Equipment						
Non-Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	\$ 314,365	\$ 3,613	\$ 13,402	\$ 1,884	\$ 59,826	\$ 3,189

TOWN OF NEWTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Rutgers SNAP Gap Project		Elementary and Secondary Education Act (Cont'd)		21st Century CCLC	
	FY24	FY23	Title III FY24	Title IV FY24	FY24	FY23
REVENUES:						
Local Sources						
State Sources	\$ 15,045	\$ 618				
Federal Sources			\$ 17,484	\$ 21,239	\$ 324,887	\$ 122,746
Total Revenues	15,045	618	17,484	21,239	324,887	122,746
Other Financing Sources:						
Transfer In - Board Contribution - General Fund						
Total Revenues and Other Financing Sources	15,045	618	17,484	21,239	324,887	122,746
EXPENDITURES:						
Instruction:						
Salaries of Teachers					119,534	37,918
Other Salaries for Instruction						
Purchased Professional and Technical Services				3,411		
Other Purchased Services				4,103	1,275	
Tuition						
General Supplies			14,536	6,000	3,946	5,005
Other Objects				1,568	3,841	967
Total Instruction			14,536	15,082	128,596	43,890
Support Services:						
Salaries	2,447		2,948		112,377	39,970
Salaries of Program Directors						
Salaries of Other Professional Staff						
Salaries of Secretarial and Clerical Assistants						
Other Salaries						
Salaries of Community Parent Involvement Specialists						
Salaries of Master Teachers						
Personal Services - Employee Benefits					25,743	21,304
Purchased Professional and Technical Services					58,020	17,582
Purchased Education Services - Contracted Pre-K						
Other Purchased Professional - Educational Services						
Other Purchased Professional Services						
Purchased Property Services						
Cleaning, Repair and Maintenance Services						
Rentals						
Other Purchased Services						
Supplies and Materials				6,157	151	
Other Objects	12,598	618				
Student Activities						
Scholarships Awarded						
Total Support Services	15,045	618	2,948	6,157	196,291	78,856
Facilities Acquisition:						
Instructional Equipment						
Non-Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	\$ 15,045	\$ 618	\$ 17,484	\$ 21,239	\$ 324,887	\$ 122,746

TOWN OF NEWTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	CRRSA			ARP		
	ESSER II	Learning Acceleration	Mental Health	ESSER III	Learning Acceleration	Comprehensive Beyond the School Day
REVENUES:						
Local Sources						
State Sources						
Federal Sources	\$ 13,531	\$ 35,449	\$ 14,462	\$ 490,321	\$ 114,213	\$ 24,148
Total Revenues	13,531	35,449	14,462	490,321	114,213	24,148
Other Financing Sources:						
Transfer In - Board Contribution - General Fund						
Total Revenues and Other Financing Sources	13,531	35,449	14,462	490,321	114,213	24,148
EXPENDITURES:						
Instruction:						
Salaries of Teachers	5,420	32,982		38,935		15,214
Other Salaries for Instruction						
Purchased Professional and Technical Services						
Other Purchased Services						
Tuition						
General Supplies	200			14,123		595
Other Objects						
Total Instruction	5,620	32,982		53,058		15,809
Support Services:						
Salaries	6,817		5,000	164,400	84,047	
Salaries of Program Directors						
Salaries of Other Professional Staff						
Salaries of Secretarial and Clerical Assistants						
Other Salaries						
Salaries of Community Parent Involvement Specialists						
Salaries of Master Teachers						
Personal Services - Employee Benefits	1,094	2,467		83,690	30,166	1,164
Purchased Professional and Technical Services			9,462	189,173		6,500
Purchased Education Services - Contracted Pre-K						
Other Purchased Professional - Educational Services						
Other Purchased Professional Services						675
Purchased Property Services						
Cleaning, Repair and Maintenance Services						
Rentals						
Other Purchased Services						
Supplies and Materials						
Other Objects						
Student Activities						
Scholarships Awarded						
Total Support Services	7,911	2,467	14,462	437,263	114,213	8,339
Facilities Acquisition:						
Instructional Equipment						
Non-Instructional Equipment						
Total Facilities Acquisition						
Total Expenditures	\$ 13,531	\$ 35,449	\$ 14,462	\$ 490,321	\$ 114,213	\$ 24,148

TOWN OF NEWTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

			ARP (Cont'd)	
	ACSERS	High Impact Tutoring	Mental Health	Homeless II
REVENUES:				
Local Sources				
State Sources				
Federal Sources	\$ 43,630	\$ 12,139	\$ 45,000	\$ 4,161
Total Revenues	43,630	12,139	45,000	4,161
Other Financing Sources:				
Transfer In - Board Contribution - General Fund				
Total Revenues and Other Financing Sources	43,630	12,139	45,000	4,161
EXPENDITURES:				
Instruction:				
Salaries of Teachers	41,474			
Other Salaries for Instruction				
Purchased Professional and Technical Services		11,689		
Other Purchased Services				
Tuition				
General Supplies				
Other Objects				
Total Instruction	41,474	11,689		
Support Services:				
Salaries		450	35,000	
Salaries of Program Directors				
Salaries of Other Professional Staff				
Salaries of Secretarial and Clerical Assistants				
Other Salaries				
Salaries of Community Parent Involvement Specialists				
Salaries of Master Teachers				
Personal Services - Employee Benefits			10,000	
Purchased Professional and Technical Services	2,156			1,743
Purchased Education Services - Contracted Pre-K				
Other Purchased Professional - Educational Services				
Other Purchased Professional Services				
Purchased Property Services				
Cleaning, Repair and Maintenance Services				
Rentals				
Other Purchased Services				
Supplies and Materials				2,418
Other Objects				
Student Activities				
Scholarships Awarded				
Total Support Services	2,156	450	45,000	4,161
Facilities Acquisition:				
Instructional Equipment				
Non-Instructional Equipment				
Total Facilities Acquisition				
Total Expenditures	\$ 43,630	\$ 12,139	\$ 45,000	\$ 4,161

TOWN OF NEWTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Preschool Education Aid	Private Donations	Student Activities Fund	Scholarship Fund	Totals
REVENUES:					
Local Sources		\$ 6,911	\$ 590,732	\$ 1,443	\$ 599,086
State Sources	\$ 1,791,426				1,807,089
Federal Sources					2,117,350
Total Revenues	1,791,426	6,911	590,732	1,443	4,523,525
Other Financing Sources:					
Transfer In - Board Contribution - General Fund	174,610				174,610
Total Revenues and Other Financing Sources	1,966,036	6,911	590,732	1,443	4,698,135
EXPENDITURES:					
Instruction:					
Salaries of Teachers	273,521				602,301
Other Salaries for Instruction	100,515				100,515
Purchased Professional and Technical Services					92,849
Other Purchased Services	100				5,478
Tuition					414,688
General Supplies	10,055				205,408
Other Objects	1,378	3,161			10,915
Total Instruction	385,569	3,161			1,432,154
Support Services:					
Salaries					501,730
Salaries of Program Directors	80,815				80,815
Salaries of Other Professional Staff	83,032				83,032
Salaries of Secretarial and Clerical Assistants	15,583				15,583
Other Salaries	67,930				67,930
Salaries of Community Parent Involvement Specialists	12,861				12,861
Salaries of Master Teachers	72,347				72,347
Personal Services - Employee Benefits	221,230				400,358
Purchased Professional and Technical Services					375,794
Purchased Education Services - Contracted Pre-K	868,209				868,209
Purchased Education Services - Head Start	120,720				120,720
Other Purchased Professional - Educational Services	183				183
Other Purchased Professional Services					675
Cleaning, Repair and Maintenance Services	13,529				13,529
Rentals	3,557				3,557
Contract Services-Transportation (Field Trips)	468				468
Travel	625				625
Supplies and Materials	6,147				19,408
Other Objects	2,992	3,750			19,958
Student Activities			569,534		569,534
Scholarships Awarded				15,230	15,230
Total Support Services	1,570,228	3,750	569,534	15,230	3,242,546
Facilities Acquisition:					
Instructional Equipment					5,785
Non-Instructional Equipment	10,239				10,239
Total Facilities Acquisition	10,239				16,024
Total Expenditures	\$ 1,966,036	\$ 6,911	\$ 569,534	\$ 15,230	\$ 4,690,724

TOWN OF NEWTON SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

District-Wide Total

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 273,522	\$ 273,521	\$ 1
Other Salaries for Instruction	100,536	100,515	21
Purchased Professional - Educational Services	17,022		17,022
Other Purchased Services	1,500	100	1,400
General Supplies	12,000	10,055	1,945
Other Objects	1,998	1,378	620
Total Instruction	<u>406,578</u>	<u>385,569</u>	<u>21,009</u>
Support Services:			
Salaries of Program Directors	80,816	80,815	1
Salaries of Other Professional Staff	83,032	83,032	
Salaries of Secretaries and Clerical Assistants	15,584	15,583	1
Other Salaries	68,148	67,930	218
Salaries of Community Parent Involvement Spec.	12,862	12,861	1
Salaries of Master Teachers	72,347	72,347	
Personal Services – Employee Benefits	256,714	221,230	35,484
Purchased Educational Services - Contracted Pre-K	868,209	868,209	
Purchased Education Services - Head Start	120,720	120,720	
Purchased Professional - Educational Services	19,365	183	19,182
Other Purchased Professional Services	30,000		30,000
Cleaning, Repair, and Maintenance Services	55,242	13,529	41,713
Rentals	66,892	3,557	63,335
Contractual Services - Transportation (Between Home and School)	26,000		26,000
Contractual Services - Transportation (Field Trips)	3,000	468	2,532
Travel	3,500	625	2,875
Miscellaneous Purchased Services	10,600		10,600
Supplies and Materials	10,600	6,147	4,453
Other Objects	20,946	2,992	17,954
Total Support Services	<u>1,824,577</u>	<u>1,570,228</u>	<u>254,349</u>
Equipment:			
Noninstructional Equipment	14,000	10,239	3,761
Total Equipment	<u>14,000</u>	<u>10,239</u>	<u>3,761</u>
Total Expenditures	<u>\$ 2,245,155</u>	<u>\$ 1,966,036</u>	<u>\$ 279,119</u>

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2023-2024 Preschool Education Aid Allocation	\$ 1,815,303
Actual Preschool Expansion Aid Carryover (June 30, 2023)	256,037
Add: Budgeted Transfer from General Fund 2023-2024	174,610
Total Preschool Education Aid Funds Available for 2023-2024	2,245,950
Less: 2023-2024 Budgeted Preschool Education Expansion Aid Funds	(2,245,155)
Available & Unbudgeted Preschool Education Expansion Aid Funds as of June 30, 2024	795
Add: June 30, 2024 Unexpended Preschool Education Expansion Aid	279,119
Add: Cancellation of Prior Year Encumbrances	548
2023-2024 Carryover - Preschool Education Expansion Aid	<u>\$ 280,462</u>
2023-2024 Carryover - Preschool Education Expansion Aid	
Budgeted for Preschool Programs in 2024-2025	<u>\$ 795</u>

CAPITAL PROJECTS FUND

TOWN OF NEWTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Revenue and Other Financing Sources:	
Cancellation of Lease Purchase Agreement Proceeds	<u>\$ (189,185)</u>
Total Revenue and Other Financing Sources	<u>(189,185)</u>
Deficit of Revenue Under Expenditures	(189,185)
Fund Balance - Beginning of Year	<u>189,185</u>
Fund Balance - End of Year	<u><u>\$ -0-</u></u>

TOWN OF NEWTON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -
BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROJECT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
Lease Purchase Agreement Proceeds	\$ 2,176,335	\$ (189,185)	\$ 1,987,150	\$ 1,987,150
Total Revenue and Other Financing Sources	2,176,335	(189,185)	1,987,150	1,987,150
Expenditures:				
Construction Services	1,987,150		1,987,150	1,987,150
Total Expenditures	1,987,150		1,987,150	1,987,150
Excess of Revenue and Other Financing Sources Over Expenditures	\$ 189,185	\$ (189,185)	\$ -0-	\$ -0-
<u>Additional Project Information:</u>				
Project Numbers	N/A			
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorized Cost	\$ 2,176,335			
Project Balance Cancelled	(189,185)			
Revised Authorized Cost	\$ 1,987,150			
Percentage Decrease over Original Authorized Cost	0%			
Percentage Completion	100%			
Original Target Completion Date	06/21			
Revised Target Completion Date	06/23			

PROPRIETARY FUNDS

TOWN OF NEWTON SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024

	<u>Major Fund</u>		
	<u>Food</u>		
	<u>Service</u>	<u>Non-Major Fund</u>	<u>Total</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 281,145	\$ 149	\$ 281,294
Interfund Receivable - General Fund	100		100
Intergovernmental Accounts Receivable:			
State	1,401		1,401
Federal	24,344		24,344
Other Accounts Receivable	86,523		86,523
Inventories	24,048		24,048
Total Current Assets	417,561	149	417,710
Non-Current Assets:			
Capital Assets	425,912		425,912
Less: Accumulated Depreciation	(182,865)		(182,865)
Total Non-Current Assets	243,047		243,047
Total Assets	660,608	149	660,757
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Vendors	59,293		59,293
Payable to State Government	103		103
Payable to Federal Government	1,364		1,364
Unearned Revenue - Donated Commodities	7,741		7,741
Unearned Revenue - Prepaid Sales	8,768		8,768
Total Current Liabilities	77,269		77,269
<u>NET POSITION:</u>			
Investment in Capital Assets	243,047		243,047
Unrestricted	340,292	149	340,441
Total Net Position	\$ 583,339	\$ 149	\$ 583,488

TOWN OF NEWTON SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Fund Food Service	Non-Major Fund	Total
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 148,219		\$ 148,219
Daily Sales - Non-Reimbursable Programs	19,909		19,909
Special Events	18,785		18,785
Miscellaneous Revenue	7,251		7,251
Total Operating Revenue	194,164		194,164
Operating Expenses:			
Cost of Sales - Reimbursable Programs	273,797		273,797
Cost of Sales - Non-Reimbursable Programs	36,777		36,777
Salaries, Benefits & Payroll Taxes	293,242		293,242
Other Purchased Services	5,000		5,000
Supplies, Insurance and Other Costs	170,357		170,357
Management Fee	62,910		62,910
Miscellaneous Expenses	41,664		41,664
Depreciation Expense	22,287		22,287
Total Operating Expenses	906,034		906,034
Operating Loss	(711,870)		(711,870)
Non-Operating Revenue:			
Local Sources:			
Interest Income	7,012	\$ 164	7,176
State Sources:			
State School Lunch Program	25,878		25,878
Federal Sources:			
School Breakfast Program	170,570		170,570
National School Lunch Program	262,445		262,445
COVID 19 - Pandemic Electronic Benefit Transfer (P-EBT)	653		653
COVID 19 - Summer Food Service Program	9,205		9,205
After School Snack Program	16,712		16,712
Local Foods for School Cooperative Program	100		100
Summer Food Service Program	14,966		14,966
Supply Chain Assistance	39,692		39,692
Food Distribution Program	38,283		38,283
Total Non-Operating Revenue	585,516	164	585,680
Change in Net Position Before Other Items	(126,354)	164	(126,190)
Other Items:			
Cancellation of Prior Year Interfund	250	(250)	
Transfer to General Fund		(23,064)	(23,064)
Change in Net Position After Other Items	(126,104)	(23,150)	(149,254)
Net Position - Beginning of Year	709,443	23,299	732,742
Net Position - End of Year	\$ 583,339	\$ 149	\$ 583,488

TOWN OF NEWTON SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Major Fund Food Service	Non-Major Fund	Total
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 143,025		\$ 143,025
Payments to Food Service Contractor	(653,791)		(653,791)
Payments for Suppliers	(156,523)		(156,523)
Net Cash Used for Operating Activities	(667,289)		(667,289)
Cash Flows from Capital and Related Financing Activities:			
Purchases of Capital Assets	(194,776)		(194,776)
Net Cash Used for Capital and Related Financing Activities	(194,776)		(194,776)
Cash Flows from Investing Activities:			
Interest Income	7,012	\$ 164	7,176
Net Cash Provided by Investing Activities	7,012	164	7,176
Cash Flows from Noncapital Financing Activities:			
Transfer to General Fund		(23,064)	(23,064)
State Sources Collected in Food Service Fund	25,695		25,695
Federal Sources Collected in Food Service Fund	517,179		517,179
Net Cash Provided by/(Used for) Noncapital Financing Activities	542,874	(23,064)	519,810
Net Decrease in Cash and Cash Equivalents	(312,179)	(22,900)	(335,079)
Cash and Cash Equivalents, July 1	593,324	23,049	616,373
Cash and Cash Equivalents, June 30	\$ 281,145	\$ 149	\$ 281,294
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating Loss	\$ (711,870)		\$ (711,870)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:			
Depreciation	22,287		22,287
Food Distribution Program	38,283		38,283
Changes in Assets and Liabilities:			
(Decrease) in Unearned Revenue - Donated Commodities	(2,367)		(2,367)
(Decrease) in Unearned Revenue - Prepaid Sales	(4,503)		(4,503)
Increase in Accounts Payable	25,265		25,265
(Increase) in Other Accounts Receivable	(46,636)		(46,636)
Decrease in Inventory	12,252		12,252
Net Cash Used for Operating Activities	\$ (667,289)	\$ -0-	\$ (667,289)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund received U.S.D.A. Commodities through the Food Distribution Program valued at \$35,916 and utilized U.S.D.A. Commodities valued at \$38,283.

LONG-TERM LIABILITIES

TOWN OF NEWTON SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2023	Matured	Balance June 30, 2024
			Date	June 30, 2024 Amount				
Refunding Bonds of 2016	04/21/16	\$ 6,535,000	07/15/24	\$ 380,000	4.00%			
			07/15/25	395,000	4.00%			
			07/15/26	410,000	4.00%			
			07/15/27	425,000	4.00%			
			07/15/28	435,000	4.00%			
			07/15/29	460,000	3.75%			
			07/15/30	475,000	3.75%			
			07/15/31	490,000	3.75%			
			07/15/32	500,000	3.75%			
						\$ 4,340,000	\$ 370,000	\$ 3,970,000
						<u>\$ 4,340,000</u>	<u>\$ 370,000</u>	<u>\$ 3,970,000</u>

TOWN OF NEWTON SCHOOL DISTRICT
LONG-TERM LIABILITIES
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2023</u>	<u>Matured</u>	<u>Cancelled</u>	<u>Balance June 30, 2024</u>
Replacement Telephone System and School Bus	3.4178%	\$ 200,000	\$ 42,026	\$ 42,026		
Energy Savings Improvement Project	2.3810%	2,176,335	<u>1,790,903</u>	<u>197,699</u>	<u>\$ 189,185</u>	<u>\$ 1,404,019</u>
			<u>\$ 1,832,929</u>	<u>\$ 239,725</u>	<u>\$ 189,185</u>	<u>\$ 1,404,019</u>

TOWN OF NEWTON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 529,538		\$ 529,538	\$ 529,538	
Total Revenues	529,538		529,538	529,538	
EXPENDITURES:					
Regular Debt Service:					
Interest	159,538		159,538	159,537	\$ 1
Redemption of Principal	370,000		370,000	370,000	
Total Regular Debt Service	529,538		529,538	529,537	1
Total Expenditures	529,538		529,538	529,537	1
Excess/(Deficit) of Revenue Over/(Under) Expenditures	-0-		-0-	1	1
Fund Balance, July 1	1		1	1	
Fund Balance, June 30	\$ 1	\$ -0-	\$ 1	\$ 2	\$ 1
<u>Recapitulation:</u>					
Restricted				\$ 2	

STATISTICAL SECTION

(UNAUDITED)

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

Contents

	<u>Exhibit</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information	
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial report for the relevant year.

TOWN OF NEWTON SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
ACCURAL BASIS OF ACCOUNTING
UNAUDITED

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	\$ 7,801,250	\$ 7,942,020	\$ 8,206,656	\$ 8,565,756	\$ 8,493,880	\$ 5,636,736	\$ 7,142,779	\$ 8,597,200	\$ 9,061,317	\$ 9,565,673
Restricted	713,095	893,844	1,311,949	1,219,697	1,289,007	2,147,943	2,394,433	2,984,738	3,306,093	4,935,231
Unrestricted/(Deficit)	(8,254,945)	(8,441,838)	(8,993,547)	(9,446,659)	(9,267,178)	(6,050,211)	(6,884,892)	(7,820,837)	(6,728,241)	(6,494,308)
Total Governmental Activities Net Position	\$ 259,400	\$ 394,026	\$ 525,058	\$ 338,794	\$ 515,709	\$ 1,734,468	\$ 2,652,320	\$ 3,761,101	\$ 5,639,169	\$ 8,006,596
Business-type Activities										
Investment in Capital Assets	\$ 27,890	\$ 36,566	\$ 53,444	\$ 69,083	\$ 60,727	\$ 59,321	\$ 47,837	\$ 36,353	\$ 70,558	\$ 243,047
Unrestricted	216,640	208,795	219,302	213,301	236,187	187,067	210,216	587,454	662,184	340,441
Total Business-type Activities Net Position	\$ 244,530	\$ 245,361	\$ 272,746	\$ 282,384	\$ 296,914	\$ 246,388	\$ 258,053	\$ 623,807	\$ 732,742	\$ 583,488
District-wide										
Net Investment in Capital Assets	\$ 7,829,140	\$ 7,978,586	\$ 8,260,100	\$ 8,634,839	\$ 8,554,607	\$ 5,696,057	\$ 7,190,616	\$ 8,633,553	\$ 9,131,875	\$ 9,808,720
Restricted	713,095	893,844	1,311,949	1,219,697	1,289,007	2,147,943	2,394,433	2,984,738	3,306,093	4,935,231
Unrestricted/(Deficit)	(8,038,305)	(8,233,043)	(8,774,245)	(9,233,358)	(9,030,991)	(5,863,144)	(6,674,676)	(7,233,383)	(6,066,057)	(6,153,867)
Total District Net Position	\$ 503,930	\$ 639,387	\$ 797,804	\$ 621,178	\$ 812,623	\$ 1,980,856	\$ 2,910,373	\$ 4,384,908	\$ 6,371,911	\$ 8,590,084

Source: School District Financial Reports

TOWN OF NEWTON SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
ACCURAL BASIS OF ACCOUNTING
UNAUDITED

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 13,652,210	\$ 14,876,990	\$ 16,098,503	\$ 17,291,100	\$ 16,424,609	\$ 15,313,264	\$ 15,577,950	\$ 16,804,652	\$ 15,815,812	\$ 16,326,419
Special Education	3,378,679	3,630,608	4,122,973	4,406,706	4,207,672	3,716,196	3,755,957	3,970,449	3,757,833	3,607,649
Other Special Education	125,463	99,026	103,252	103,449	142,489	303,636	435,620	505,514	496,578	558,104
School Sponsored/Other Instruction	1,453,168	1,445,664	1,751,307	1,795,839	1,621,456	1,490,648	1,455,908	1,492,354	1,308,764	1,319,389
Support Services:										
Tuition	1,067,316	712,627	620,433	914,562	758,033	783,488	847,709	941,628	1,512,480	1,763,347
Student & Instruction Related Services	4,159,265	4,825,518	5,515,860	5,584,830	5,652,918	6,210,781	6,423,548	6,630,126	7,336,871	7,327,633
General Administrative Services	703,523	911,052	861,950	807,091	734,836	682,733	670,152	638,110	628,150	763,197
School Administrative Services	1,936,423	1,930,923	2,276,248	2,424,351	2,140,903	2,009,877	2,449,940	2,352,746	2,179,427	2,190,198
Central Services	574,458	624,712	717,780	715,733	697,207	657,880	690,645	591,596	600,336	674,839
Administrative Information Technology	326,491	352,301	353,879	336,929	338,421	316,747	332,027	278,103	296,139	307,942
Plant Operations and Maintenance	2,930,168	3,145,951	3,471,505	3,199,995	3,008,142	2,870,910	2,893,623	2,733,742	2,953,728	3,310,050
Pupil Transportation	741,649	631,274	648,838	874,197	922,274	926,303	861,752	1,050,321	1,406,052	1,391,225
Transfer of Funds to Charter School	110,635	82,665	115,845	157,974	130,055	236,271	159,630	231,323	176,308	438,856
Interest on Long-term Debt	328,495	389,324	177,435	175,215	168,525	161,727	154,832	147,838	137,194	126,107
Capital Outlay	40,189	86,882								
Unallocated Depreciation	278,987	278,987								
Total Governmental Activities Expenses	31,807,119	34,024,504	36,835,808	38,787,971	36,947,540	35,680,461	36,709,293	38,388,502	38,605,672	40,104,955
Business-type Activities:										
Food Service	555,578	544,613	571,900	572,442	565,644	551,521	337,884	716,419	684,732	906,034
After Care	48,318	65,985	58,909	78,670	110,435	96,817	1,300	122,428	1,500	
Total Business-type Activities Expense	603,896	610,598	630,809	651,112	676,079	648,338	339,184	838,847	686,232	906,034
Total District Expenses	\$ 32,411,015	\$ 34,635,102	\$ 37,466,617	\$ 39,439,083	\$ 37,623,619	\$ 36,328,799	\$ 37,048,477	\$ 39,227,349	\$ 39,291,904	\$ 41,010,989
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Instruction (Tuition)	\$ 7,024,707	\$ 7,876,395	\$ 7,823,426	\$ 7,450,913	\$ 8,005,817	\$ 7,588,982	\$ 6,513,694	\$ 5,677,104	\$ 6,312,905	\$ 6,729,343
Student & Instruction Related Services							196,413	437,912	583,074	592,175
Pupil Transportation		9,000	10,800	4,800	4,200	1,200	3,600		6,000	
Operating Grants and Contributions	6,668,029	7,941,798	10,451,916	12,067,297	10,471,799	9,681,204	10,498,210	10,960,826	9,521,967	8,691,581
Capital Grants and Contributions				84,525						
Total Governmental Activities Program Revenues	13,692,736	15,827,193	18,286,142	19,607,535	18,481,816	17,271,386	17,211,917	17,075,842	16,423,946	16,013,099
Business-type Activities:										
Charges for Services:										
Food Service										
After Care	250,004	242,162	251,916	262,880	257,849	166,055	4,782	6,583	160,788	194,164
Operating Grants and Contributions - Food Service	304,121	59,900	53,021	57,144	92,485	74,709	829	144,006	1,768	
Total Business-type Activities Program Revenues	619,164	610,877	657,801	660,347	688,611	596,089	362,667	1,203,771	794,964	772,668
Total District Program Revenues	\$ 14,311,900	\$ 16,438,070	\$ 18,943,943	\$ 20,267,882	\$ 19,170,427	\$ 17,867,475	\$ 17,574,584	\$ 18,279,613	\$ 17,218,910	\$ 16,785,767

TOWN OF NEWTON SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
ACCURAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (Expense)/Revenue:										
Governmental Activities	\$ (18,114,383)	\$ (18,197,311)	\$ (18,549,666)	\$ (19,180,436)	\$ (18,465,724)	\$ (18,409,075)	\$ (19,497,376)	\$ (21,312,660)	\$ (22,181,726)	\$ (24,091,856)
Business-type Activities	15,268	279	26,992	9,235	12,532	(52,249)	23,483	364,924	108,732	(133,366)
Total District-wide Net Expense	\$ (18,099,115)	\$ (18,197,032)	\$ (18,522,674)	\$ (19,171,201)	\$ (18,453,192)	\$ (18,461,324)	\$ (19,473,893)	\$ (20,947,736)	\$ (22,072,994)	\$ (24,225,222)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 12,137,057	\$ 12,379,798	\$ 12,627,394	\$ 12,658,194	\$ 12,357,185	\$ 12,357,185	\$ 13,326,077	\$ 13,326,077	\$ 13,326,077	\$ 13,592,599
Taxes Levied for Debt Service	595,374	592,875	604,500	525,542	532,109	533,187	531,338	529,387	530,488	529,538
Unrestricted Grants and Contributions	5,369,447	5,252,323	5,335,338	5,552,797	5,657,427	6,247,849	6,497,338	8,363,480	9,927,023	12,005,210
Investment Earnings	4,056	4,919	6,485	6,849	31,490	29,394	9,267	14,880	42,659	63,312
Miscellaneous Income	53,821	102,022	106,981	250,790	64,428	47,670	53,243	187,617	233,547	245,560
Cancellation of Lease Purchase Agreement Proceeds							(2,035)			
Transfers										23,064
Total Governmental Activities	18,159,755	18,331,937	18,680,698	18,994,172	18,642,639	19,215,285	20,415,228	22,421,441	24,059,794	26,459,283
Business-type Activities:										
Investment Earnings	\$ 380	\$ 362	\$ 393	\$ 403	\$ 1,998	\$ 1,723	\$ 345	\$ 830	\$ 10,798	\$ 7,176
Transfers									(10,595)	(23,064)
Cancellation of Prior Year Accounts Receivable		190					(12,163)			
Cancellation of Prior Year Accounts Payable		552								
Total Business-type Activities	380	552	393	403	1,998	1,723	(11,818)	830	203	(15,888)
Total District-wide	\$ 18,160,135	\$ 18,332,489	\$ 18,681,091	\$ 18,994,575	\$ 18,644,637	\$ 19,217,008	\$ 20,403,410	\$ 22,422,271	\$ 24,059,997	\$ 26,443,395
Change in Net Position										
Governmental Activities	\$ 45,372	\$ 134,626	\$ 131,032	\$ (186,264)	\$ 176,915	\$ 806,210	\$ 917,852	\$ 1,108,781	\$ 1,878,068	\$ 2,367,427
Business-type Activities	15,648	831	27,385	9,638	14,530	(50,526)	11,665	365,754	108,935	(149,254)
Total District	\$ 61,020	\$ 135,457	\$ 158,417	\$ (176,626)	\$ 191,445	\$ 755,684	\$ 929,517	\$ 1,474,535	\$ 1,987,003	\$ 2,218,173

TOWN OF NEWTON SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Restricted	\$ 713,095	\$ 887,848	\$ 1,303,124	\$ 1,216,867	\$ 1,289,006	\$ 1,735,393	\$ 2,026,242	\$ 2,600,592	\$ 2,906,022	\$ 4,527,748
Assigned	41,468	370,775	446,214	291,405	309,920	530,504	833,185	256,522	693,863	621,693
Unassigned			11,412							
Total General Fund	\$ 754,563	\$ 1,258,623	\$ 1,760,750	\$ 1,508,272	\$ 1,598,926	\$ 2,265,897	\$ 2,859,427	\$ 2,857,114	\$ 3,599,885	\$ 5,149,441
All Other Governmental Funds										
Restricted		\$ 5,996	\$ 8,825	\$ 2,830	\$ 1	\$ 412,550	\$ 368,191	\$ 384,146	\$ 400,071	\$ 407,483
Committed		102,254			130,000	3,024,128	1,636,251	347,705	189,185	
Unassigned/(Deficit)			(10,381)		(86,928)	(114,817)	(140,923)	(145,972)	(170,653)	(180,282)
Total All Other Governmental Funds/(Deficit)	\$ -0-	\$ 108,250	\$ (1,556)	\$ 2,830	\$ 43,073	\$ 3,321,861	\$ 1,863,519	\$ 585,879	\$ 418,603	\$ 227,201
Total Governmental Funds	\$ 754,563	\$ 1,366,873	\$ 1,759,194	\$ 1,511,102	\$ 1,641,999	\$ 5,587,758	\$ 4,722,946	\$ 3,442,993	\$ 4,018,488	\$ 5,376,642

Source: School District Financial Reports

TOWN OF NEWTON SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax Levy	\$ 12,732,431	\$ 12,972,673	\$ 13,231,894	\$ 13,183,736	\$ 12,889,294	\$ 12,890,372	\$ 13,857,415	\$ 13,855,464	\$ 13,856,565	\$ 14,122,137
Tuition Charges	7,024,707	7,876,395	7,823,426	7,450,913	8,005,817	7,588,982	6,513,694	5,677,104	6,312,905	6,729,343
Transportation Fees from LEAs		9,000	10,800	4,800	4,200	1,200	3,600		6,000	
Rents and Royalties			10,000	10,000	10,000	12,000		30,000		
Miscellaneous	91,141	108,829	143,007	258,023	136,306	100,012	329,400	684,156	1,048,684	906,652
State Sources	8,529,800	8,959,454	9,442,787	10,392,502	11,625,043	13,244,616	14,446,730	17,970,205	19,643,825	21,996,531
Federal Sources	796,691	698,187	767,626	737,454	1,126,565	1,102,952	1,401,559	2,218,243	2,394,049	2,140,581
Total Revenue	29,174,770	30,624,538	31,429,540	32,037,428	33,797,225	34,940,134	36,552,398	40,435,172	43,262,028	45,895,244
Expenditures										
Instruction										
Regular Instruction	8,911,446	9,437,093	9,201,227	9,364,388	9,771,483	9,499,137	9,409,792	10,998,799	10,683,177	11,115,924
Special Education Instruction	2,045,155	2,137,557	2,156,621	2,197,355	2,353,782	2,150,840	2,158,391	2,381,097	2,447,539	2,397,040
Other Special Instruction	94,004	70,507	72,001	70,283	87,946	193,770	263,323	298,712	298,157	330,807
School-Sponsored/Other Instruction	1,045,157	999,801	1,134,543	1,129,960	1,062,675	996,459	933,269	1,047,470	952,474	971,582
Support Services:										
Tuition	1,067,316	712,627	620,433	914,562	758,033	783,488	847,709	941,628	1,512,480	1,763,347
Student & Other Instruction Related Services	2,789,263	3,051,668	3,169,418	3,159,099	3,655,057	4,342,401	4,742,557	5,187,346	6,147,166	6,117,130
General Administrative Services	569,883	696,293	632,300	580,413	544,445	553,870	529,027	563,841	548,868	666,113
School Administrative Services	1,211,813	1,171,759	1,285,850	1,257,229	1,209,970	1,179,624	1,422,121	1,457,933	1,486,747	1,520,848
Central Services	350,002	364,533	373,249	426,511	385,903	413,408	418,474	415,680	437,219	474,482
Administrative Information Technology	246,897	245,494	199,254	194,609	215,336	240,360	238,868	237,235	249,302	242,230
Plant Operations and Maintenance	1,998,431	1,938,746	2,030,800	1,837,003	1,898,268	1,909,935	1,904,620	2,128,643	2,501,429	2,716,810
Student Transportation	582,859	476,519	396,430	611,206	700,709	723,646	516,702	825,671	1,187,861	1,165,967
Unallocated Benefits	7,146,614	7,787,058	8,493,561	9,143,916	10,085,562	10,161,634	11,149,893	12,775,576	12,979,526	13,455,754
Transfer of Funds to Charter School	110,635	82,665	115,845	157,974	130,055	236,271	159,630	231,323	176,308	438,856
Capital Outlay	410,890	253,029	554,016	709,475	472,166	510,987	2,061,468	1,694,783	547,793	464,542
Debt Service:										
Principal	265,000	275,000	440,000	325,000	335,000	340,000	345,000	350,000	360,000	370,000
Interest and Other Charges	330,375	317,875	161,671	206,537	199,938	193,187	186,338	179,388	170,487	159,537
Total Expenditures	29,175,740	30,018,224	31,037,219	32,285,520	33,866,328	34,429,017	37,287,182	41,715,125	42,686,533	44,370,969
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(970)	606,314	392,321	(248,092)	(69,103)	511,117	(734,784)	(1,279,953)	575,495	1,524,275

TOWN OF NEWTON SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED
(Continued)

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources/(Uses)										
Long Term Debt Issued		\$ 6,535,000								
Bond Premium		598,734								
Serial Bonds Defeased		(6,850,000)								
Bond Issuance Costs		(132,486)								
Deferred Interest		(145,252)								
Lease Purchase Agreement Proceeds					\$ 200,000	\$ 3,022,093	\$ (130,028)			\$ (189,185)
Cancellation of Lease Purchase Agreement Proceeds										23,064
Transfers					200,000	3,022,093	(130,028)			(166,121)
Total Other Financing Sources/(Uses)		5,996								
Net Change in Fund Balances	\$ (970)	\$ 612,310	\$ 392,321	\$ (248,092)	\$ 130,897	\$ 3,533,210	\$ (864,812)	\$ (1,279,953)	\$ 575,495	\$ 1,358,154
Debt Service as a Percentage of Noncapital Expenditures	2.07%	1.99%	1.97%	1.68%	1.60%	1.57%	1.51%	1.32%	1.26%	1.21%

TOWN OF NEWTON SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
UNAUDITED

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Tuition</u>	<u>Transportation</u> <u>Fees</u>	<u>Rents and</u> <u>Royalties</u>	<u>Miscellaneous</u>	<u>Total</u>
2015	\$ 4,056	\$ 7,024,707			\$ 53,821	\$ 7,082,584
2016	4,919	7,876,395	\$ 9,000		102,022	7,992,336
2017	6,485	7,823,426	10,800	\$ 10,000	96,981	7,947,692
2018	6,849	7,450,913	4,800	10,000	240,790	7,713,352
2019	31,490	8,005,817	4,200	10,000	54,428	8,105,935
2020	29,394	7,588,982	1,200	12,000	35,670	7,667,246
2021	9,267	6,513,694	3,600		53,243	6,579,804
2022	14,880	5,677,104		30,000	157,617	5,879,601
2023	93,849	6,312,905	6,000		182,357	6,595,111
2024	114,818	6,729,343			194,054	7,038,215

Source: School District of the Town of Newton records

TOWN OF NEWTON SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Tax Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2014	** \$ 7,644,700	\$ 369,711,500	\$ 646,200	\$ 41,100	\$ 173,581,700	\$ 13,805,400	\$ 36,143,900	\$ 601,574,500	\$ 283,633,500	\$ 2,296,214	\$ 603,870,714	\$ 2.08	\$ 627,028,621
2015	8,703,900	369,929,600	646,200	41,100	172,475,000	13,593,900	36,143,900	601,533,600	283,534,100	3,135,425	604,669,025	2.13	632,598,156
2016	8,528,900	369,753,800	646,200	41,100	172,260,500	13,093,900	35,878,900	600,203,300	283,545,300	3,366,159	603,569,459	2.17	624,118,805
2017	10,339,800	365,652,000	646,200	41,100	168,186,100	13,093,900	39,881,700	597,840,800	281,773,200	3,149,149	600,989,949	2.19	625,091,779
2018	10,061,400	365,378,000	646,200	58,900	166,845,900	13,093,900	39,875,000	595,959,300	282,071,000	3,142,042	599,101,342	2.18	633,703,021
2019	9,992,200	367,372,700	646,200	58,900	164,677,100	13,293,900	38,569,000	594,610,000	288,852,100	3,708,825	598,318,825	2.15	674,513,454
2020	8,764,300	369,283,900	646,200	43,800	164,736,800	13,343,900	38,203,100	595,022,000	289,725,000	453	595,022,453	2.25	694,455,677
2021	8,283,300	368,844,300	671,900	42,600	164,734,300	13,491,100	38,181,500	594,249,000	290,231,600	488	594,249,488	2.33	670,486,339
2022	11,416,700	371,136,300	376,800	41,100	164,364,000	13,491,100	38,181,500	599,007,500	290,787,000	424	599,007,924	2.31	711,103,446
2023	7,485,400	373,498,500	376,800	42,400	177,436,400	13,491,100	38,181,500	610,512,100	296,863,500	420	610,512,520	2.32	807,947,516

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100 of assessed value.

** Reassessment became effective in this year.

Source: Municipal Tax Assessor

TOWN OF NEWTON SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(Rate per \$100 of Assessed Value)

Year Ended December 31,	School District of the Town of Newton Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Debt Service ^b	Total Direct	Town of Newton	Sussex County	
2014	** \$ 1.98	\$ 0.10	\$ 2.08	\$ 1.36	\$ 0.54	\$ 3.98
2015	2.03	0.10	2.13	1.39	0.54	4.06
2016	2.07	0.10	2.17	1.43	0.57	4.17
2017	2.10	0.09	2.19	1.45	0.59	4.23
2018	2.09	0.09	2.18	1.47	0.61	4.26
2019	2.06	0.09	2.15	1.48	0.65	4.29
2020	2.16	0.09	2.25	1.49	0.68	4.42
2021	2.24	0.09	2.33	1.50	0.66	4.49
2022	2.22	0.09	2.31	1.53	0.67	4.51
2023	2.23	0.09	2.32	1.56	0.68	4.57

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

** Reassessment became effective in this year.

Source: Municipal Tax Collector and School Business Administrator

TOWN OF NEWTON SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2023		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Martin, Kenneth D & Assoc II, LLC	\$ 10,666,300	1	1.75%
Route 519 & North Park Drive, LLC	8,161,000	2	1.34%
100 Swartswood/SELA Realty Invest.	8,150,000	3	1.33%
Newton 213 LLC c/o Ronetco	7,141,300	4	1.17%
Weis Markets, Inc.	7,100,000	5	1.16%
Barn Hill Prop, LLC/Peace Capital	7,000,000	6	1.15%
The Cobblers Loft, LLC	5,962,700	7	0.98%
Newtonian Associates, LLC	4,850,000	8	0.79%
Holiday Inn Express, c/o Patel	4,740,000	9	0.78%
North Jersey Health Care Properties	4,164,100	10	0.68%
	<u>\$ 67,935,400</u>		<u>11.13%</u>

Taxpayer	2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Route 519 & North Park Drive, LLC	\$ 11,500,000	1	1.90%
Sussex Nine Inc c/o Barnhill	11,087,800	2	1.84%
Martin, Kenneth D & Assoc II, LLC	11,074,200	3	1.83%
Newton West LTD	9,433,400	4	1.56%
Newton 213 LLC c/o Ronetco	9,026,800	5	1.49%
Weis Markets, Inc.	7,624,500	6	1.26%
Merriam Gateway Apartments, Inc	6,872,600	7	1.14%
Holiday Inn Express, c/o Patel	5,000,000	8	0.83%
Newtonian Associates, LLC	4,850,000	9	0.80%
Gordon Newton Assoc, LLC	4,820,800	10	0.80%
	<u>\$ 81,290,100</u>		<u>13.46%</u>

Source: Municipal Tax Assessor

TOWN OF NEWTON SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2015	\$ 12,732,431	\$ 12,732,431	100.00%	\$ -0-
2016	12,972,673	12,972,673	100.00%	-0-
2017	13,231,894	13,231,894	100.00%	-0-
2018	13,183,736	13,183,736	100.00%	-0-
2019	12,889,294	12,889,294	100.00%	-0-
2020	12,890,372	12,890,372	100.00%	-0-
2021	13,857,415	13,857,415	100.00%	-0-
2022	13,855,464	13,855,464	100.00%	-0-
2023	13,856,565	13,856,565	100.00%	-0-
2024	14,122,137	14,122,137	100.00%	-0-

Source: School District of the Town of Newton records including the Certificate and Report of School Taxes (A4F form)

- a. School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

TOWN OF NEWTON SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Obligations Under Financed Purchases Agreements			
2015	\$ 7,425,000	\$ -0-	\$ 7,425,000	1.73%	\$ 935.14
2016	6,835,000	-0-	6,835,000	1.55%	860.94
2017	6,395,000	-0-	6,395,000	1.42%	811.34
2018	6,070,000	-0-	6,070,000	1.31%	776.21
2019	5,735,000	200,000	5,935,000	1.21%	746.45
2020	5,395,000	3,182,048	8,577,048	1.66%	1,068.52
2021	5,050,000	2,274,984	7,324,984	1.35%	918.26
2022	4,700,000	2,113,034	6,813,034	1.12%	799.28
2023	4,340,000	1,832,929	6,172,929	1.02%	729.14
2024	3,970,000	1,404,019	5,374,019	0.91%	652.19

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

- a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: School District Financial Reports

TOWN OF NEWTON SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 7,425,000	\$ -0-	\$ 7,425,000	1.23%	\$ 935.14
2016	6,835,000	-0-	6,835,000	1.13%	860.94
2017	6,395,000	-0-	6,395,000	1.06%	811.34
2018	6,070,000	-0-	6,070,000	1.01%	776.21
2019	5,735,000	-0-	5,735,000	0.96%	721.29
2020	5,395,000	-0-	5,395,000	0.90%	672.11
2021	5,050,000	-0-	5,050,000	0.85%	633.07
2022	4,700,000	-0-	4,700,000	0.79%	551.38
2023	4,340,000	-0-	4,340,000	0.72%	512.64
2024	3,970,000	-0-	3,970,000	0.65%	481.80

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

b See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: School District Financial Reports

TOWN OF NEWTON SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2023
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Town of Newton	\$ 14,005,531	100.000%	\$ 14,005,531
Sussex County General Obligation Debt	88,319,376	3.814%	<u>3,368,177</u>
Subtotal, Overlapping Debt			17,373,707
School District of the Town of Newton Direct Debt			<u>3,970,000</u>
Total Direct and Overlapping Debt			<u>\$ 21,343,707</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Sussex County Board of Taxation; debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Newton. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping unit.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the district's boundaries and dividing it by each unit's total equalized property value.

TOWN OF NEWTON SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2024										
	Equalized valuation basis:									
	2023									\$ 881,096,984
	2022									786,408,691
	2021									699,363,305
										<u>\$ 2,366,868,980</u>
Average Equalized Valuation of Taxable Property										
										<u>\$ 788,956,327</u>
	Debt Limit (4% of average equalization value)									
										\$ 31,558,253
										<u>3,970,000</u>
										<u>\$ 27,588,253</u>
Fiscal Year										
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt Limit	\$ 25,717,550	\$ 24,956,336	\$ 24,763,676	\$ 24,809,025	\$ 25,018,032	\$ 25,978,180	\$ 26,493,707	\$ 26,935,237	\$ 28,679,636	\$ 31,558,253
Total Net Debt Applicable to Limit	7,425,000	6,835,000	6,395,000	6,070,000	5,735,000	5,395,000	5,050,000	4,700,000	4,340,000	3,970,000
Legal Debt Margin	<u>\$ 18,292,550</u>	<u>\$ 18,121,336</u>	<u>\$ 18,368,676</u>	<u>\$ 18,739,025</u>	<u>\$ 19,283,032</u>	<u>\$ 20,583,180</u>	<u>\$ 21,443,707</u>	<u>\$ 22,235,237</u>	<u>\$ 24,339,636</u>	<u>\$ 27,588,253</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	28.87%	27.39%	25.82%	24.47%	22.92%	20.77%	19.06%	17.45%	15.13%	12.58%

a Limit set by NISA 18A.24-19 for a K through 12 district; other % limits would be applicable for other districts

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

TOWN OF NEWTON SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>Year</u>	<u>Population ^a</u>	<u>Town of Newton Income Personal Income ^b</u>	<u>Sussex County Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2015	7,939	\$ 442,376,958	\$ 55,722	6.50%
2016	7,882	451,851,414	57,327	5.29%
2017	7,820	462,506,080	59,144	4.50%
2018	7,951	489,232,981	61,531	4.20%
2019	8,027	516,007,668	64,284	3.80%
2020	7,977	540,952,278	67,814	9.70%
2021	8,524	605,706,916	71,059	6.30%
2022	8,466	606,766,686	71,671	4.00%
2023	8,240	590,569,040 ***	71,671 *	5.10%
2024	8,240 **	590,569,040 ***	71,671 *	N/A

* - Latest Sussex County per capita personal income available (2022) was used for calculation purposes.

** - Latest population data available (2023) was used for calculation purposes.

*** - Latest available population data (2023) and latest available Sussex County per capita personal income (2022) was used for calculation purposes.

N/A - Information not available

Sources:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income has been estimated based upon the municipal population and per capita personal income presented

^c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

TOWN OF NEWTON SCHOOL DISTRICT
PRINCIPAL EMPLOYERS, COUNTY OF SUSSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2023	
	Employees	Percentage of Total Employment
Selective Insurance Group Inc.	1,000-4,999	1.34%-6.69%
Crystal Springs Resort	1,000-4,999	1.34%-6.69%
Newton Memorial Center	500-999	0.67%-1.34%
Sussex County Offices	500-999	0.67%-1.34%
Thorlabs	500-999	0.67%-1.34%
Mountain Creek Resort	500-999	0.67%-1.34%
Shop Rite	250-499	0.33%-0.67%
Sussex County Community College	250-499	0.33%-0.67%
United Methodist Community Bristol Glen	250-499	0.33%-0.67%
Andover Subacute & Rehab Center	100-249	0.13%-0.33%
	<u>4,850-15,740</u>	<u>6.77%-21.97%</u>
Total Employment	<u>75,673</u>	
Employer	2014	
	Employees	Percentage of Total Employment
Crystal Springs Golf and Spa Resort	2,000	2.71%
Newton Memorial Hospital	1,200	1.63%
Selective Insurance	900	1.22%
County of Sussex	830	1.13%
Mountain Creek Resort	800	1.08%
Ames Rubber Corp	445	0.60%
Shop Rite (Ronetco)	301	0.41%
Andover Subacute & Rehab Center	300	0.41%
Sussex County Community College	300	0.41%
SCARC, Inc.	287	0.39%
	<u>7,363</u>	<u>9.99%</u>
Total Employment	<u>73,737</u>	

Source: County of Sussex

TOWN OF NEWTON SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Instruction										
Regular	112	119	119	119	122	116	116	116	116	116
Special education	56	50	51	59	59	59	59	59	59	59
Other instruction	3	3	3	3	3	3	3	3	3	3
Support Services:										
Student & instruction related services	52	59	53	56	56	56	56	56	56	56
School administrative services	11	10	10	10	11	11	11	11	11	11
General administrative services	2	2	2	2	2	2	2	2	2	2
Plant operations and maintenance	22	22	22	20	21	21	21	21	21	21
Pupil transportation	3	2	3	3	4	4	4	4	4	4
Business and other support services	5	5	5	5	5	5	5	5	5	5
Food Service	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Total	<u>266</u>	<u>272</u>	<u>268</u>	<u>277</u>	<u>283</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>	<u>277</u>

Source - School District of the Town of Newton Personnel Records

TOWN OF NEWTON SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year End June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^e	Average Daily Attendance (ADA) ^e	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary ^c	Middle School ^f	Senior High School				
2015	1,569	\$ 28,169,475	\$ 17,954	1.79%	138	1:12.0	1:10.0	1:11.6	1,557	1,454	1.70%	93.38%
2016	1,549	29,172,320	18,833	4.90%	147	1:11.8	1:12.1	1:11.2	1,555	1,466	-0.13%	94.28%
2017	1,552	29,881,532	19,254	2.23%	147	1:11.6	1:10.4	1:10.4	1,537	1,442	-1.16%	93.82%
2018	1,535	31,044,508	20,224	5.04%	170	1:10.8	1:12	1:10.9	1,535	1,451	-0.13%	94.53%
2019	1,535	32,859,224	21,407	5.85%	184	1:7.6	1:6.1	1:8.9	1,561	1,455	1.69%	93.21%
2020	1,544	33,384,843	21,622	1.01%	178	1:8.2	1:7.9	1:9.5	1,560	1,488	-0.06%	95.38%
2021	1,535	34,694,376	22,602	4.53%	165	1:8.9	1:8.5	1:9.8	1,535	1,440	-1.60%	93.81%
2022	1,531	39,490,954	25,794	14.12%	165	1:8.9	1:8.5	1:9.8	1,531	1,363	-0.26%	89.03%
2023	1,550	41,608,253	26,844	4.07%	165	1:9.0	1:8.5	1:9.8	1,550	1,414	1.24%	91.23%
2024	1,557	43,376,890	27,859	3.78%	165	1:9.0	1:8.5	1:9.8	1,550	1,414	0.00%	91.23%

Note: Enrollment based on annual October district count.

TOWN OF NEWTON SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

<u>District Building</u>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Merriam Avenue School										
Square Feet	77,151	77,151	77,151	77,151	77,151	77,151	77,151	77,151	77,151	77,151
Capacity (students) - *	601; 693	601; 693	601; 693	601; 693	601; 693	601; 693	601; 693	601; 693	601; 693	601; 693
Enrollment **	490	472	475	481	486	472	477	488	516	557
Halsted Street School										
Square Feet	71,120	71,120	71,120	71,120	71,120	71,120	71,120	71,120	71,120	71,120
Capacity (students) - *	233; 356	233; 356	233; 356	233; 356	233; 356	233; 356	233; 356	233; 356	233; 356	233; 356
Enrollment **	301	316	334	326	334	357	351	330	320	293
Newton High School										
Square Feet	118,980	118,980	118,980	118,980	118,980	118,980	118,980	118,980	118,980	118,980
Capacity (students) - *	519; 904	519; 904	519; 904	519; 904	519; 904	519; 904	519; 904	519; 904	519; 904	519; 904
Enrollment	778	761	743	728	715	715	707	713	714	707
Board Office										
Square Feet	3,102	3,102	3,102	3,102	3,102	3,102	3,102	3,102	3,102	3,102

Number of Schools at June 30, 2024

Elementary = 1

Middle School = 1

High School = 1

Other = 1

* The first student capacity number reflects the FES (Facility Efficiency Standards) capacity while the the second student capacity number reflects the District Practices as per the 2010 Long Range Facility Plan.

** 5th Grade was moved from Merriam Avenue School to Halsted Street School as of 07/01/14.

Note: Enrollment is based on the annual October district count.

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-xxx

<u>Fiscal Year Ended June 30,</u>	<u>Merriam Avenue School</u>	<u>Halsted Street School</u>	<u>Newton High School</u>	<u>Board Office</u>	<u>Total</u>
2015	\$ 127,778	\$ 122,854	\$ 251,693	\$ 16,129	\$ 518,454
2016	155,047	123,433	251,787	21,096	551,363
2017	141,160	131,044	282,684	11,066	565,954
2018	109,235	105,302	178,172	11,788	404,497
2019	105,346	94,968	193,174	11,659	405,147
2020	119,806	127,729	189,296	16,868	453,699
2021	110,473	95,437	175,316	12,759	393,985
2022	142,104	125,683	197,997	12,892	478,676
2023	239,471	111,565	174,270	12,930	538,236
2024	165,444	128,087	224,079	43,163	560,773

Source: School District of the Town of Newton records

TOWN OF NEWTON SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2024
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund (SAIF):		
School Package Policy:		
Building & Personal Property	\$ 500,000,000 Occurrence	\$ 2,500
Auto Physical Damage		1,000
General Liability including Auto, Employee Benefits:	10,000,000	
Per Occurrence		
General Aggregate	Agreed upon based on membership.	
Employee Benefits Liability	5,000,000	
Bodily Injury to Fellow Employees	25,000	
Fire Damage	2,500,000	
Medical Expenses (excluding students taking part in athletics)	10,000	
Automobile Coverage	10,000,000	
Personal Injury per person	100,000	
Communicable Disease	500,000	
Sexual Abuse/Molestation	10,000,000	
Security Guard Liability	none	
Environmental Impairment Liability	1,000,000 /\$10,000,000 Fund Agg.	50,000
Critical Incident Management	25,000	
First Party Cleanup	\$100,000 Fungi & Legionella	100,000
Money and Securities	50,000	1,000
Crime Coverage	50,000 Inside/Outside	
Employee Theft	500,000	
Boiler and Machinery	100,000,000	2,500
Excess Liability (AL/GL/SLPL)	5,000,000	5,000
School Board Legal Liability (SLPL)	5,000,000	10,000
Cyber Liability	2,000,000 Occurrence/Fund Aggregate	10,000
First Party: \$750,000 each event/aggregate		
Third Party: \$2,000,000 each event/aggregate		
Workers' Compensation:	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Bond for School Business Administrator	300,000 Selective Insurance	
Bond for Treasurer of School Monies	300,000 Selective Insurance	
Student Accident/ Bollinger	All Students and Athletes	

Source: School District of the Town of Newton records

SINGLE AUDIT SECTION

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*

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Town of Newton School District
County of Sussex, New Jersey

We have audited, in accordance with the 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Town of Newton (the "District"), in the County of Sussex, as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

The Honorable President and Members
of the Board of Education
Town of Newton School District
Page 2

Report on Compliance and Other Matters

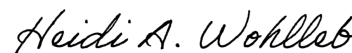
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

December 13, 2024
Mount Arlington, New Jersey


NISIVOCCIA LLP


Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

Report on Compliance For Each Major Federal and State Program:
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members
of the Board of Education
Town of Newton School District
County of Sussex, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Town of Newton School District's (the District's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

The Honorable President and Members
of the Board of Education
Town of Newton School District
Page 2

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

The Honorable President and Members
of the Board of Education
Town of Newton School District
Page 3

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

December 13, 2024
Mount Arlington, New Jersey

Nisivoccia LLP
NISIVOC CIA LLP

Heidi A. Wohlleb
Heidi A. Wohlleb
Licensed Public School Accountant #2140
Certified Public Accountant

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2023			Cash Received	Budgetary Expendi- tures	Cancellation of Prior Year Encumbrances	Balance at June 30, 2024			Amounts Provided to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	
U.S. Department of Agriculture:														
Passed-through State Department of Agriculture:														
Child Nutrition Cluster:														
Food Distribution Program	10.555	N/A	7/1/23-6/30/24	\$ 35,916				\$ 35,916	\$ (28,175)			\$ 7,741		
Food Distribution Program	10.555	N/A	7/1/22-6/30/23	50,518		\$ 10,108			(10,108)					
School Breakfast Program	10.553	N/A	7/1/23-6/30/24	170,570				160,277	(170,570)		\$ (10,293)			
School Breakfast Program	10.553	N/A	7/1/22-6/30/23	171,905		\$ (11,517)		11,517						
National School Lunch Program	10.555	N/A	7/1/23-6/30/24	262,445				249,090	(262,445)		(13,355)			
National School Lunch Program	10.555	N/A	7/1/22-6/30/23	265,148		(14,779)		14,779						
After School Snack	10.555	N/A	7/1/23-6/30/24	16,712				16,016	(16,712)		(696)			
After School Snack	10.555	N/A	7/1/22-6/30/23	19,844		(984)		984						
COVID-19 - Supply Chain Assistance	10.555	N/A	7/1/23-6/30/24	39,692				39,692	(39,692)					
COVID 19 - Summer Food Service Program	10.559	N/A	8/1/21-8/31/21	9,205				9,205	(9,205)					
Summer Food Service Program	10.559	N/A	7/1/23-6/30/24	14,966		(27,280)	10,108	552,442	(551,873)		(24,344)	7,741		
Total Child Nutrition Cluster													\$ 1,364	
Child and Adult Care Food Program	10.558	N/A	7/1/19-6/30/20	24,650				100	(100)					
Local Foods for Schools Cooperative Program	10.185	N/A	7/1/23-6/30/24	653				653	(653)					
COVID 19- Pandemic Electronic Benefit Transfer (P-EBT)	10.649	N/A	7/1/23-6/30/24											
Total U.S. Department of Agriculture					(27,280)	10,108	1,364	553,195	(552,626)		(24,344)	7,741	1,364	
U.S. Department of Education:														
Special Revenue Fund:														
Passed-through State Department of Education:														
Elementary and Secondary Education Act:														
Title I	84.010	ESEA359024	7/1/23-9/30/24	368,577				247,489	(314,365)		(66,876)			
Title I	84.010	ESEA359023	7/1/22-9/30/23	228,099		(9,073)		12,686	(3,613)					
Title I - SIA	84.010	ESEA359024	7/1/23-9/30/24	13,460				3,060	(13,402)		(10,342)			
Title I - SIA	84.010	ESEA359023	7/1/22-9/30/23	31,600		(5,618)		7,502	(1,884)					
Total Title I					(14,691)			270,737	(333,264)		(77,218)			
Title IIA	84.367	ESEA359024	7/1/23-9/30/24	60,103				32,283	(59,826)		(27,543)			
Title IIA	84.367	ESEA359023	7/1/22-9/30/23	40,828		(11,016)		12,145	(3,189)	\$ 2,060				
Total Title II					(11,016)			44,428	(63,015)	2,060				
Title III	84.365	ESEA359024	7/1/23-9/30/24	33,300				5,885	(17,484)		(11,599)			
Title III	84.365	ESEA359023	7/1/22-9/30/23	27,900		(651)		651						
Total Title III					(651)			6,536	(17,484)		(11,599)			
Title IV	84.424	ESEA359024	7/1/23-9/30/24	15,256				10,661	(21,239)		(10,578)			
Total Title IV								10,661	(21,239)		(10,578)			
21st Century Community Learning Centers (CCLC)	84.287	23E00079	9/1/23-8/31/24	425,000				222,375	(324,887)		(102,512)			
21st Century Community Learning Centers (CCLC)	84.287	22E00079	9/1/22-8/31/23	425,000		(57,232)		179,951	(122,746)	27				
Total 21st CCLC					(57,232)			402,326	(447,633)	27	(102,512)			
Education Stabilization Fund:														
COVID 19 - CRRSA:														
ESSER II	84.425D	S42SD210027	3/13/20-9/30/23	721,450		(111,799)		125,292	(13,531)	38				
Learning Acceleration	84.425D	S42SD210027	3/13/20-9/30/23	46,299				35,449	(35,449)					
Mental Health	84.425D	S42SD210027	3/13/20-9/30/23	45,000		(17,849)		32,311	(14,462)					
COVID 19 - ARP:														
ESSER III	84.425U	S42SU210027	3/13/20-9/30/24	1,621,413		(366,649)		605,198	(490,321)		(251,772)			
Learning Acceleration	84.425U	S42SU210027	3/13/20-9/30/24	114,873				24,489	(114,213)		(89,724)			
Comprehensive Beyond the School Day	84.425U	S42SU210027	3/13/20-9/30/24	40,000				16,378	(24,148)		(7,770)			
Summer Learning and Enrichment	84.425U	S42SU210027	3/13/20-9/30/24	40,000		(4,965)		4,307		658				
Mental Health	84.425U	S42SU210027	3/13/20-9/30/24	45,000				37,048	(45,000)		(7,952)			
Homeless II	84.425W	S42SW210031	4/23/21-9/30/24	23,703				3,765	(4,161)		(396)			
COVID 19- ARP GEER:														
High Impact Tutoring	84.425C	E2400654	10/1/23-8/31/24	73,304		(501,262)		884,237	(12,139)	696	(12,139)			
					(501,262)				(753,424)		(369,753)			

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Assistance Listing Number	Grant or State Project No.	Grant Period	Award Amount	Balance at June 30, 2023			Cancellation of Prior Year Encumbrances	Balance at June 30, 2024			Amounts Provided to Subrecipients	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor		Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor		
U.S. Department of Education: (Continued)													
Passed-through State Department of Education: (Continued)													
Special Revenue Fund: (Continued)													
Special Education Cluster (IDEA):													
I.D.E.A. Part B, Basic	84.027	IDEA359024	7/1/23-9/30/24	\$ 435,254					\$ 415,724	\$ (429,459)			
I.D.E.A. Part B, Basic	84.027	IDEA359023	7/1/22-9/30/23	404,902	\$ (13,930)			\$ 934	15,431	(2,435)	\$ (13,735)		
COVID-19 - ARP - I.D.E.A. Part B, Basic	84.027X	IDEA359022	7/1/21-9/30/23	410,623	(367)				638	(271)			
I.D.E.A. Preschool	84.173	IDEA359024	7/1/23-9/30/24	13,852					1,262	(1,538)	(276)		
I.D.E.A. Preschool	84.173	IDEA359023	7/1/22-9/30/23	13,696	(5,177)			1,189	5,016	(1,028)			
COVID-19 - ARP - I.D.E.A. Preschool	84.173X	IDEA359022	7/1/21-9/30/23	6,480	(297)			55	3,172	(2,930)			
Total Special Education Cluster (IDEA)					(19,771)			2,178	441,243	(437,661)	(14,011)		
Total U.S. Department of Education					(604,623)			4,961	2,060,168	(2,073,720)	(613,214)		
U.S. Department of Treasury:													
Special Revenue Fund:													
Passed-through State Department of Education:	21.027	SLFRHDOE1SES	7/1/23-6/30/24	43,630						(43,630)			
COVID-19 ACSERS										(43,630)			
Total U.S. Department of Treasury										(43,630)			
U.S. Department of Health and Human Services:													
Medicaid Cluster:	93.778	N/A	7/1/23-6/30/24	79,825					79,825	(79,825)			
Medicaid Assistance Program									79,825	(79,825)			
Total U.S. Department of Health and Human Services/Total Medicaid Cluster													
Total Federal Awards					\$ (631,903)	\$ 10,108	\$ 1,364	\$ 4,961	\$ 2,693,188	\$ (2,749,801)	\$ 1,364	\$ -0-	
N/A - Not Applicable													

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Cancellation of Prior Year Encumbrances	Balance at June 30, 2024			MEMO		
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor		GAAP Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures	
State Department of Education:													
General Fund State Aid:													
Equalization Aid	24-495-034-5120-078	7/1/23-6/30/24	\$ 11,885,199								\$	(1,180,348)	\$ 11,885,199
Special Education Aid	24-495-034-5120-089	7/1/23-6/30/24	657,557									(65,304)	657,557
Security Aid	24-495-034-5120-084	7/1/23-6/30/24	221,598									(22,007)	221,598
School Choice Aid	24-495-034-5120-068	7/1/23-6/30/24	37,945									(3,768)	37,945
Transportation Aid	24-495-034-5120-014	7/1/23-6/30/24	229,942									(22,836)	229,942
Excess Nonpublic Transportation Costs	24-495-034-5120-014	7/1/23-6/30/24	3,640								\$	(3,640)	3,640
Extraordinary Special Education Costs Aid	24-495-034-5120-044	7/1/23-6/30/24	284,119									(284,119)	284,119
Homeless Tuition Reimbursement	24-495-034-5120-005	7/1/23-6/30/24	40,557									(40,557)	40,557
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	7/1/23-6/30/24	1,057,037									(51,406)	1,057,037
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	1,336,528									(1,336,528)	1,336,528
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	4,855,384									(4,855,384)	4,855,384
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	55,373									(55,373)	55,373
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	2,021									(2,021)	2,021
Equalization Aid	23-495-034-5120-078	7/1/22-6/30/23	9,677,590	\$ (963,128)									9,677,590
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	229,942	(22,884)									229,942
Special Education Aid	23-495-034-5120-089	7/1/22-6/30/23	596,193	(59,334)									596,193
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	221,598	(22,054)									221,598
School Choice Aid	23-495-034-5120-068	7/1/22-6/30/23	15,912	(1,584)									15,912
Extraordinary Special Education Costs Aid	23-495-034-5120-044	7/1/22-6/30/23	226,958	(226,958)									226,958
Excess Nonpublic Transportation Costs	23-495-034-5120-014	7/1/22-6/30/23	8,112	(8,112)									8,112
Homeless Tuition Reimbursement	23-495-034-5120-005	7/1/22-6/30/23	49,217	(49,217)									49,217
Reimbursed TPAF Social Security Contributions	23-495-034-5094-003	7/1/22-6/30/23	993,296	(99,091)									993,296
Subtotal - General Fund				(1,452,362)							(379,722)		32,685,718
Special Revenue Fund Aid:													
Preschool Education Aid	24-495-034-5120-086	7/1/23-6/30/24	1,815,303								\$	247,963	1,567,340
Preschool Education Aid	23-495-034-5120-086	7/1/22-6/30/23	1,714,740	(170,653)	\$ 31,951		\$ 548				32,499		1,682,241
Preschool Education Aid	22-495-034-5120-086	7/1/21-6/30/22	1,455,264		224,086								1,455,264
Subtotal - Special Revenue Fund				(170,653)	256,037						280,462		4,704,845
Total State Department of Education				(1,623,015)	256,037		548	(379,722)	280,462		(1,854,267)		37,390,563

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2023			Cancellation of Prior Year Encumbrances	Balance at June 30, 2024			MEMO		
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor		Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Budgetary Receivable
State Department of Children and Families:													
General Fund:													
Education Services	24-100-016-1600-029	7/1/23-6/30/24	\$ 21,523	\$	\$ 9,355	\$ (21,523)	\$	\$ (12,168)	\$	\$ (12,168)	\$	21,523	
Education Services	23-100-016-1600-029	7/1/22-6/30/23	77,919	(26,792)	26,792							77,919	
Subtotal - General Fund				(26,792)	36,147	(21,523)		(12,168)		(12,168)		99,442	
Total State Department of Children and Families				(26,792)	36,147	(21,523)		(12,168)		(12,168)		99,442	
State Department of Agriculture:													
Special Revenue Fund:													
Rutgers SNAP Gap Project	N/A	3/12/24-6/2/24	25,000										
Rutgers SNAP Gap Project	N/A	3/12/23-6/2/23	66,000	(7,080)	7,091	(15,045)	\$ 1,851		\$ 1,244	(15,045)		15,045	
Subtotal - Special Revenue Fund				(7,080)	7,091	(15,663)	1,851		1,244	(15,045)		78,768	
Food Service Fund:													
State School Lunch Program	24-100-010-3350-023	7/1/23-6/30/24	25,878		24,477	(25,878)		(1,401)		(1,401)		25,878	
State School Lunch Program	23-100-010-3350-023	7/1/22-6/30/23	19,391	(1,218)	1,218							19,391	
COVID 19 - Seamless Summer Option	20-100-010-3350-023	3/18/20-6/30/20	216									216	
Subtotal - Food Service Fund				(1,218)	25,695	(25,878)		(1,401)	103	(1,401)		59,712	
Total State Department of Agriculture				(8,298)	32,786	(41,541)	1,851	(1,401)	1,347	(16,446)		138,480	
Total State Awards				\$ (1,658,105)	\$ 22,319,884	\$ (22,521,390)	\$ 2,399	\$ (393,291)	\$ 280,462	\$ 1,347	\$ (1,882,881)	\$ 37,628,485	
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	(1,336,528)										
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	(4,855,384)										
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	(55,373)										
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	(2,021)										
Subtotal - On-Behalf TPAF Pension System Contributions													
Total State Awards Subject to Single Audit Major Program Determination													
\$ (16,272,084)													

Less: State Awards Not Subject to Single Audit Major Program Determination												
On-Behalf TPAF Pension System Contributions:												
On-Behalf TPAF Post Retirement Contributions	24-495-034-5094-001	7/1/23-6/30/24	(1,336,528)									1,336,528
On-Behalf TPAF Pension Contributions	24-495-034-5094-002	7/1/23-6/30/24	(4,855,384)									4,855,384
On-Behalf TPAF Non-Contributory Insurance	24-495-034-5094-004	7/1/23-6/30/24	(55,373)									55,373
On-Behalf TPAF Long-Term Disability Insurance	24-495-034-5094-004	7/1/23-6/30/24	(2,021)									2,021
Subtotal - On-Behalf TPAF Pension System Contributions												6,249,306
Total State Awards Subject to Single Audit Major Program Determination												\$ (16,272,084)

SEE THE ACCOMPANYING NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Town of Newton School District under programs of the federal and state governments for the fiscal year ended June 30, 2024. The information in these schedules is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general and special revenue funds are presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$225,279) for the general fund and (\$331,602) for the special revenue fund (which includes \$1,306 related to local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Revenue from federal and state awards is reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

TOWN OF NEWTON SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 79,825	\$ 20,463,144	\$ 20,542,969
Special Revenue Fund	2,060,756	1,533,387	3,594,143
Food Service Fund	<u>552,626</u>	<u>25,878</u>	<u>578,504</u>
Total Awards	<u>\$ 2,693,207</u>	<u>\$ 22,022,409</u>	<u>\$ 24,715,616</u>

NOTE 5. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 6. OTHER

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2024.

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

1.) Material weakness identified?	_____	Yes	_____	X	No
2.) Significant deficiencies identified?	_____	Yes	_____	X	None reported

Noncompliance material to basic financial statements noted?	_____	Yes	_____	X	No
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Federal Awards

Type of auditor's report issued on compliance for major programs:

Unmodified

Internal control over major programs:

1.) Material weakness identified?	_____	Yes	_____	X	No
2.) Significant deficiencies identified?	_____	Yes	_____	X	None reported

Noncompliance material to basic financial statements noted?	_____	Yes	_____	X	No
---	-------	-----	-------	---	----

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____	Yes	_____	X	No
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Identification of major programs:

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Child Nutrition Cluster:					
Food Distribution Program	10.555	7/1/23	6/30/24	\$ 35,916	\$ 28,175
Food Distribution Program	10.555	7/1/22	6/30/23	50,518	10,108
School Breakfast Program	10.553	7/1/23	6/30/24	170,570	170,570
National School Lunch Program	10.555	7/1/23	6/30/24	262,445	262,445
After School Snack	10.555	7/1/23	6/30/24	16,712	16,712
COVID-19 - Supply Chain Assistance	10.555	7/1/23	6/30/24	39,692	39,692
COVID-19 - Summer Food Service Program	10.559	8/1/21	8/31/21	9,205	9,205
Summer Food Service Program	10.559	7/1/23	6/30/24	14,966	14,966

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Program Name or Cluster	Assistance Listing No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
Education Stabilization Fund:					
COVID 19 - CRRSA:					
ESSER II	84.425D	3/13/20	9/30/23	\$ 721,450	\$ 13,531
Learning Acceleration	84.425D	3/13/20	9/30/23	46,299	35,449
Mental Health	84.425D	3/13/20	9/30/23	45,000	14,462
COVID 19 - ARP:					
ESSER III	84.425U	3/13/20	9/30/24	1,621,413	490,321
Learning Acceleration	84.425U	3/13/20	9/30/24	114,873	114,213
Comprehensive Beyond the School Day	84.425U	3/13/20	9/30/24	40,000	24,148
Mental Health	84.425U	3/13/20	9/30/24	45,000	45,000
Homeless II	84.425W	4/23/21	9/30/24	23,703	4,161
COVID 19 - ARP GEER:					
High Impact Tutoring	84.425V	10/11/23	12/31/24	73,304	12,139

Dollar threshold used to distinguish between Type A and B programs \$ 750,000

Auditee qualified as low-risk auditee? Yes X No

State Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

1.) Material weakness identified? Yes X No

2.) Significant deficiencies identified? Yes X None reported

Noncompliance material to basic financial statements noted? Yes X No

Any audit findings disclosed that are required to be reported in accordance with New Jersey's OMB Circular 15-08?
 Yes X No

Identification of major programs:

Program Name or Cluster	State Grant No.	Grant Period		Award Amount	Budgetary Expenditures
		Start	End		
State Aid Public:					
Equalization Aid	24-495-034-5120-078	7/1/23	6/30/24	\$ 11,885,199	\$ 11,885,199
Special Education Aid	24-495-034-5120-089	7/1/23	6/30/24	657,557	657,557
Security Aid	24-495-034-5120-084	7/1/23	6/30/24	221,598	221,598
School Choice Aid	24-495-034-5120-068	7/1/23	6/30/24	37,945	37,945

Dollar threshold used to distinguish between Type A and B programs \$ 750,000

Auditee qualified as low-risk auditee? Yes X No

Section II - Financial Statement Findings - N/A

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs - N/A

TOWN OF NEWTON SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Status of Prior Year Findings:

The District had no prior year audit findings.