

TOWN OF NEWTON SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024

TOWN OF NEWTON SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
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December 13, 2024

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Town of Newton School District in the County of Sussex for the fiscal year ended June 30, 2024, and have issued our report thereon dated December 13, 2024.

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

We will review the status of the comments during our next audit engagement. We have already discussed these comments and suggestions with various management personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendation and suggestions.

This report is intended for the information of the Town of Newton School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Nisivoccia LLP
NISIVOC CIA LLP

Heidi A. Wohlleb

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

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024

Scope of Audit

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

Administrative Practices and Procedures

Insurance

Multi-peril insurance coverage was carried in the amounts as detailed on Exhibit J-20, Insurance Schedule contained in the District's ACFR.

Officials in Office and Surety Bonds

Name	Position	Coverage
Theresa Schlosser	Treasurer of School Monies	\$ 235,000
James Sekelsky	School Business Administrator/Board Secretary	250,000

The District has Employee Dishonesty and Faithful Performance coverage through the School Alliance Insurance Fund as detailed on Exhibit J-20 of the ACFR.

Finding 2024-001

The required surety bond coverage for the Treasurer of School Monies was calculated to be \$251,000 for the fiscal year ended June 30, 2024. However, as the District has already increased the surety bond amount to meet the requirement for fiscal year 2024-2025, no formal recommendation is judged to be warranted.

P.L. 2020, c.44

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A. 18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by the school district.

The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

Tuition Charges

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs were different than estimated costs. The Board made a proper adjustment to the billings to sending districts for the change in per pupil costs in accordance with N.J.A.C. 6A:23A-3.1(f)3.

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid on a test basis, during the period under review indicated overall compliance with respect to signatures, certification and supporting documentation.

Payroll Account and Position Control Roster

The net salaries of employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account. Salary withholdings were promptly remitted to the proper agencies, including health benefits withholding due to the general fund.

All payrolls were approved by the Superintendent and were certified by the President of the Board, the Board Secretary/Business Administrators and the Chief School Administrator. Payrolls were delivered to the Treasurer of School Monies with a warrant to her order for the full amount of the payroll.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (superintendent, assistant superintendent, and business administrator) to the NJ Department of Treasury was filed in a timely manner.

Reserve for Encumbrances and Accounts Payable

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

Finding 2024-002

During our review of the encumbrances and accounts payable reports at June 30, 2024 we noted that certain salary and tuition outstanding purchase orders were classified as encumbrances payable which should have been classified as accounts payables. As these purchase orders were reclassified for audit presentation at the direction of the School Business Administrator and the District has already implemented procedures to ensure the proper classification of outstanding purchase orders moving forward, no formal recommendation is judged to be warranted.

Classification of Expenditures – General and Administrative

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-8.2 as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection included administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-16.2(f). Overall compliance was noted.

Board Secretary's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Board Secretary's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

Treasurer's Records

In planning and performing our audit of the financial statements of the Board, we considered the condition of the Treasurer's records for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments.

Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A. financial exhibits are contained herein within the Special Revenue Section of the District's ACFR. This section of the ACFR documents the financial position pertaining to projects under Titles I, II, III, and IV of the Elementary and Secondary Education Act as amended and reauthorized.

The study of compliance for the E.S.E.A. did not indicate any area of noncompliance.

Other Special Federal and/or State Projects

The financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects. The District's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR. Our audit of the federal and state funds on a test basis indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

T.P.A.F. Reimbursement

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

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

The T.P.A.F. Reimbursement to the State for Federal Salary Expenditures was remitted to the State of New Jersey prior to the required deadline of October 1, 2024. The reimbursement form was reviewed and no exceptions were noted.

Travel Expense and Reimbursement Policy

Travel regulations require each District to adopt a formal policy and procedure pertaining to travel and expense reimbursement for its employees and board members. The regulations include requirements for the District to establish a maximum travel amount for the year and to ensure that the maximum amount is not exceeded. The regulations also require that all travel must be preapproved by the Board of Education and Superintendent and that a brief report detailing the key issues addressed at the travel event must be submitted after the travel event has occurred. Overall compliance was noted.

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-3 states:

a. "When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by resolution of the Board of Education without public advertising for bids and bidding therefore, except that the Board of Education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L.1971, c. 198 the Board of Education may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L.1999, c. 440 takes effect and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the Board of Education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2, and shall round the adjustment to the nearest \$1,000. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of the year in which it is made"

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

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$44,000 (with a Qualified Purchasing Agent) and \$32,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is \$20,200 for 2023-2024.

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

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed. None were noted.

Based upon the results of our examination, we did not note any individual payments, contracts, or agreements for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A. 18A:18A-4, amended.

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

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

School Purchasing Programs (Cont'd)

Contracts and Agreements Requiring Advertisement for Bids (Cont'd)

The system of records did not provide for an accumulation of purchases for which the school board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained.

School Food Service

The financial transactions and statistical records of the School Food Service Fund were reviewed. The financial accounts and meal count records were reviewed on a test-check basis. No exceptions were noted.

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

The District utilizes a food service management company (FMSC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FMSC Cost Reimbursable Fixed Price contract/addendum were reviewed and audited. The FMSC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$53,384. The operating results provision has been met. No exceptions were noted. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation at least annually. No exceptions were noted.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified on a test basis. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used. No exceptions were noted.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the nonprofit status of the School Food Service Fund. No exceptions were noted.

The SFA recorded and maintained separate supporting documentation for additional costs (food, supplies, transportation, etc.) applicable to the implementation of the COVID-19 meal service under SSO or SFSP program requirements.

The FSMC did not apply for and receive a loan in accordance with the Payroll Protection Plan.

Time sheets and labor costs provided to the District by the Food Service contractor were reviewed on a test basis without exception. Payroll records were maintained on all School Food Service employees authorized by the Board of Education. No exceptions were noted.

The number of meals claimed for reimbursement was compared to sales and meal count records on a test basis. As part of the claims review process, the Edit Check Worksheet was completed. Reimbursement claims were overall submitted/certified in a timely manner. No exceptions were noted.

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

School Food Service (Cont'd)

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications/or to the list of directly certified students on file, times the number of operating days, on a school-by-school basis. The free and reduced price meal policy was reviewed for uniform administration throughout the school district. Sites approved to participate in Provisions I and II were examined for compliance with all counting and claiming requirements. The required verification procedures for free and reduced price applications were completed and available for review. No exceptions were noted.

U.S.D.A. Food Distribution Program commodities (food and/or commodities) were received and a single inventory was maintained on a first-in, first-out basis. No exceptions were noted.

Non-program foods were purchased, prepared or offered for sale. The Statement of Revenue, Expenses and Changes in Net Position in the ACFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

Exhibits reflecting Child Nutrition Program operations are included in the section entitled "Proprietary Funds", Section G of the ACFR.

Finding 2024-003

Net cash resources of the Food Service Fund exceeded three months average expenditures by \$60,327. As the District already has plans in place to reduce the excess, no formal recommendation is judged to be warranted. Also, the District has a student accounts receivable balance of \$86,523 at June 30, 2024. As the District has already implemented procedures to address the balances in fiscal year 2024-2025, no formal recommendation is judged to be warranted.

Finding 2024-004

We were not able to fully reconcile the daily sales and special function revenue reported on the Food Service Management Contractor's June 2024 operating statement with the District's records. However, as the District has already implemented procedures to reconcile the special function revenue on a monthly basis and will implement procedures to address the reconciliation of daily sales on a monthly basis, no formal recommendation is judged to be warranted.

Student Body Activities

In planning and performing our audit of the financial statements of the Board, we considered the condition of the records of the Student Activities Fund for the purpose of expressing our opinion on the financial statements and not to provide specific assurance on the condition of the records. Based on these procedures, we have no comments except as noted herein.

Finding 2024-005

During our review of the student activities records, it was noted that certain High School student activities expenditures which were for reimbursements were not supported with adequate documentation such as a detailed invoice. We also noted that the high school athletics receipts were not deposited in a timely manner.

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Student Body Activities (Cont'd)

Recommendation

It is recommended that High School student activities expenditures which are for reimbursements are supported with adequate documentation such as a detailed invoice and High School athletics receipts are deposited in a timely manner.

Management's Response

The District will ensure that High School student activities expenditures which are for reimbursements are supported with adequate documentation such as a detailed invoice and that High School athletic receipts are deposited in a timely manner.

Application for State School Aid

Our audit procedures included a test of information reported in the October 16, 2023 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the disabled, low income and bilingual education students. We also performed a review of the District procedures related to its completion. The information on the A.S.S.A. was compared to the District workpapers with a few exceptions. The information that was included on the workpapers was verified on a test basis with a few exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments. The District maintained workpapers on the prescribed State forms or their equivalent. The District's written procedures for the recording of student enrollment data appear to be adequate.

Pupil Transportation

Our audit procedures included a test of on-roll status reported on the 2023-2024 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

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

Facilities and Capital Assets

There were no active SDA grants.

Testing for Lead of All Drinking Water in Educational Facilities

The District did submit the annual Statement of Assurance to the NJ Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

Management Suggestions

State Grant Funding

It is suggested that the District review all grant award guidelines, especially for newer grants received by the District, to proper programmatic and fiscal implementation.

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

Management Suggestions (Cont'd)

Confirming Orders

It has come to our attention that a number of school districts in New Jersey are being cited by the State Department of Education for the purchasing of goods or services prior to the issuance of an approved purchase order. We are taking this opportunity to reiterate to our clients that a valid, approved purchase order must be prepared prior to obligating the District for the purchase of goods or services to be in compliance with the requirements of the State.

Federal Grant Receivables

It is suggested that federal grant requests for reimbursements are submitted on a regular basis to ensure timely collection, to lessen the impact on cash flows and to ensure full compliance with federal and state cash management requirements.

COVID-19 Federal Funding

It is likely that the District will undergo some review of its COVID-19 federal funding if only at a desk review level by state and/or federal agencies. We strongly suggest that the District ensures that these funds are utilized in accordance with the applicable federal requirements especially with respect to procurement. Additionally, we strongly suggest that the District ensures that these funds are accounted for in the state account numbers designated by the NJ Department of Education and that any applicable Board policies are current with respect to federal grant requirements.

Student Activity Deposits

It is suggested that every effort be made to ensure that student activity receipts are deposited at least twice weekly.

Follow-up on Prior Year Findings/Recommendations

The prior year recommendations regarding obtaining County Superintendent approval for transfers for the Preschool Education Aid grant from instruction line items to support services line items and the District ensuring that meals claimed for reimbursement are supported by the meal count records and that those meal count records are safeguarded against loss have been resolved in the current year.

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF MEAL COUNT ACTIVITY
FOOD SERVICE FUND
NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM
ENTERPRISE FUND
FISCAL YEAR ENDED JUNE 30, 2024

SCHEDULE OF MEAL COUNT ACTIVITY
ENTERPRISE FUND - FOOD SERVICE FUND

NUMBER OF MEALS SERVED AND (OVER)/UNDER CLAIM - FEDERAL

<u>Program</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>(Over)/ Under Claim</u>
After School Snack Program:						
Free	13,775	5,469	5,469	-0-	\$ 1.17	\$ -0-
Reduced	502	115	115	-0-	0.58	-0-
Paid	3,044	786	786	-0-	0.10	-0-
Severe School Lunch:						
Free	47,131	17,210	17,210	-0-	4.24	-0-
Reduced	10,392	3,821	3,821	-0-	3.87	-0-
Paid	32,755	10,977	10,977	-0-	0.42	-0-
Severe School Breakfast:						
Free	46,985	16,917	16,917	-0-	2.73	-0-
Reduced	9,498	3,454	3,454	-0-	2.43	-0-
Paid	50,580	17,428	17,428	-0-	0.38	-0-
Summer Food Service Program :						
Lunch	1,588	1,588	1,588	-0-	4.48	-0-
Breakfast	1,464	1,464	1,464	-0-	2.57	-0-
Total Net Underclaim						<u>\$ -0-</u>

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL COMPLIANCE
FISCAL YEAR ENDED JUNE 30, 2024

ENTERPRISE FUND - FOOD SERVICE - NET CASH RESOURCES SCHEDULE

Net Cash Resources:

ACFR	*	Current Assets		
B-4		Cash and Cash Equivalents	\$	281,145
B-4		Due from Other Gov'ts, Net		25,745
B-4		Accounts Receivable		86,523
B-4		Due from Other Funds		100
ACFR		Current Liabilities		
B-4		Less Accounts Payable		(59,293)
B-4		Less Unearned Revenue		(8,768)
		Net Cash Resources	\$	325,452 (A)

Net Adjusted Total Operating Expense:

B-5	Total Operating Expenses	\$	906,034	
B-5	Less Depreciation		(22,287)	
	Adjusted Total Operating Expenses	\$	883,747 (B)	

Average Monthly Operating Expense:

B / 10	\$	88,375 (C)
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Three times monthly Average:

3 X C	\$	265,125 (D)
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TOTAL IN BOX A	\$	325,452	(A)
LESS TOTAL IN BOX D		265,125	(D)
NET	\$	60,327	

From above:

A is greater than D, cash exceeds 3 X average monthly operating expenses.
D is greater than A, cash does not exceed 3 X average monthly operating expenses.

TOWN OF NEWTON SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 16, 2023

	2024-2025 Application for State School Aid						Sample for Verification					
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll	
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Full Day Preschool 3yr	22		22				22		22			
Full Day Preschool 4yr	27		27				27		27			
Full Day Kindergarten	73		73				73		73			
Grade One	95		95				95		95			
Grade Two	75		75				75		75			
Grade Three	68		68				68		68			
Grade Four	73		73				73		73			
Grade Five	65		65				65		65			
Grade Six	58		58				58		58			
Grade Seven	49		49				49		49			
Grade Eight	57		57				57		57			
Grade Nine	150	3	150	3			150	3	150	3		
Grade Ten	137		137				137		137			
Grade Eleven	159	2	159	2			159	2	159	2		
Grade Twelve	145	1	145	1			145	1	145	1		
Subtotal	1,253	6	1,253	6			1,253	6	1,253	6		
Special Education:												
Elementary School	103		103				9		9			
Middle School	53		53				5		5			
High School	126	1	126	1			11		11			
Subtotal	282	1	282	1			25		25			
Totals	1,535	7	1,535	7	-0-	-0-	1,278	6	1,278	6	-0-	-0-
Percentage Error					0.00%	0.00%					0.00%	0.00%

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

	Private Schools for Disabled			
	Reported on ASSA as Private Schools	Sample for Verification	Sample Verified	Sample Errors
Special Education:				
Elementary School	1	1	1	
Middle School	3	1	1	
High School	10	2	2	
Totals	14	4	4	-0-
Percentage Error				0.00%

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

	Resident Low Income		Errors	Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income		Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	34	34		2	2	
Grade One	44	44		2	2	
Grade Two	35	36	1	2	2	
Grade Three	39	39		2	2	
Grade Four	35	35		2	2	
Grade Five	27	28	1	1	1	
Grade Six	30	29	(1)	1	1	
Grade Seven	23	18	(5)	1	1	
Grade Eight	26	23	(3)	1	1	
Grade Nine	36	35	(1)	2	2	
Grade Ten	23	23		1	1	
Grade Eleven	23	22	(1)	1	1	
Grade Twelve	22	21	(1)	1	1	
Subtotal	397	387	(10)	19	19	
Special Education:						
Elementary School	56	57	1	2	2	
Middle School	32	31	(1)	2	2	
High School	41	45	5	2	2	
Subtotal	129	133	5	6	6	
Totals	525	520	(5)	25	25	-0-
Percentage Error			-0.95%			0.00%

TOWN OF NEWTON SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 16, 2023

	Resident LEP Low Income				Resident LEP Not Low Income			
	Reported on A.S.S.A. as LEP Low Income	Reported on Workpapers as LEP Low Income	Sample Selected from Workpapers	Verified to Test Scores, Application and Register	Reported on A.S.S.A. as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Sample Selected from Workpapers	Verified to Test Scores and Register
Full Day Kindergarten	3	3						
Grade One	9	9	1	1	2	4	1	1
Grade Two	5	5			3	3		
Grade Three	12	12	2	2				
Grade Four	6	6						
Grade Five	4	4			6	6	1	1
Grade Six	4	4			3	3	1	1
Grade Seven	2	2			2	2		
Grade Eight	5	5			2	2		
Grade Nine	7	7	1	1	3	3		
Grade Ten	7	7	1	1				
Grade Eleven	6	6	1	1	5	5	1	1
Grade Twelve	5	5			1	1		
Subtotal	75	75	6	6	31	31	4	4
Special Ed - Elementary								
Special Ed - Middle School					2	2		
Special Ed - High School	1	1	1	1	3	3	1	1
Subtotal	1	1	1	1	5	5	1	1
Totals	76	76	7	7	36	36	5	5
Percentage Error			-0-	-0-			-0-	-0-
			0.00%	0.00%			0.00%	0.00%

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 16, 2023

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	79	79		14	14	
Regular - Special Education	3	3		1	1	
AIL Non- Public	8	8		2	2	
Special Needs - Public	38	38		6	6	
Special Needs - Private	6	6		2	2	
Totals	134	134	-0-	25	25	-0-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	7.1	7.1
Average Mileage - Regular Excluding Grade PK Students	7.1	7.1
Average Mileage - Special Education with Special Needs	8.5	8.5

TOWN OF NEWTON SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2024

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2023-2024 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 39,472,681 (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	\$ -0- (B1a)
Transfer from Capital Reserve to Capital Projects Fund	\$ -0- (B1b)
Transfer from General Fund to SRF for PreK-Regular	\$ -0- (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	\$ 174,610 (B1d)
Decreased by:	
On-Behalf TPAF Pension and Social Security	\$ 7,306,343 (B2a)
Assets Acquired Under Financed Purchases	\$ -0- (B2b)
Adjusted 2023-2024 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 32,340,948 (B3)</u>
2% of Adjusted 2023-2024 General Fund Expenditures [(B3) times .02]	<u>\$ 646,819 (B4)</u>
Enter Greater of (B4) or \$250,000	<u>\$ 646,819 (B5)</u>
Increased by: Allowable Adjustment	<u>\$ 217,759 (K)</u>
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 864,578 (M)</u>

SECTION 2

Total General Fund - Fund Balances @ 6/30/2024 (Per ACFR Budgetary Comparison Schedule C-1)	<u>\$ 6,443,704 (C)</u>
Decreased by:	
Year End Encumbrances	<u>\$ 801,378 (C1)</u>
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0- (C2)</u>
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ -0- (C3)</u>
Other Restricted/Reserved Fund Balances	<u>\$ 4,527,748 (C4)</u>
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 250,000 (C5)</u>
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)]	<u>\$ 864,578 (U1)</u>

TOWN OF NEWTON SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2024
(Continued)

SECTION 3

Restricted Fund Balance - Excess Surplus [(U1)-(M)] IF NEGATIVE, ENTER -0-	\$ <u>0</u> (E)
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Recapitulation of Excess Surplus as of June 30, 2024

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	\$ <u>-0-</u> (C3)
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Restricted Excess Surplus [(E)]	\$ <u>-0-</u> (E)
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Total [(C3)+(E)]	\$ <u>-0-</u> (D)
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Detail of Allowable Adjustments

Impact Aid	\$ <u>-0-</u> (H)
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Sale and Lease Back	\$ <u>-0-</u> (I)
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Extraordinary Aid	\$ <u>214,119</u> (J1)
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Additional Nonpublic School Transportation Aid	\$ <u>3,640</u> (J2)
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Current Year School Bus Advertising Revenue Recognized	\$ <u>-0-</u> (J3)
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Family Crisis Transportation Aid	\$ <u>-0-</u> (J4)
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Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4)+(J5))	\$ <u>217,759</u> (K)
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Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	\$ <u>-0-</u>
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Sale/lease-back reserve	\$ <u>-0-</u>
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Capital reserve	\$ <u>4,211,466</u>
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Maintenance reserve	\$ <u>316,282</u>
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Emergency reserve	\$ <u>-0-</u>
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Tuition reserve	\$ <u>-0-</u>
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School Bus Advertising 50% Fuel Offset Reserve - current year	\$ <u>-0-</u>
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School Bus Advertising 50% Fuel Offset Reserve - prior year	\$ <u>-0-</u>
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Impact Aid General Fund Reserve (Sections 8002 and 8003)	\$ <u>-0-</u>
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Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	\$ <u>-0-</u>
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Other state/governmental mandated reserve	\$ <u>-0-</u>
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Other Restricted Fund Balance not noted above	\$ <u>-0-</u>
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Total Other Restricted Fund Balance	\$ <u>4,527,748</u> (C4)
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TOWN OF NEWTON SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2024

It is recommended that:

1. Administrative Practices and Procedures

None

2. Financial Planning, Accounting and Reporting

None

3. School Purchasing Program

None

4. School Food Service

None

5. Student Body Activities

Finding 2024-005: High School student activities expenditures which are for reimbursements are supported with adequate documentation such as a detailed invoice and High School athletics receipts are deposited in a timely manner.

6. Application for State School Aid

None

7. Pupil Transportation

None

8. Facilities and Capital Assets

None

9. Status of Prior Year's Findings/Recommendations

The prior year recommendations regarding obtaining County Superintendent approval for transfers for the Preschool Education Aid grant from instruction line items to support services line items and the District ensuring that meals claimed for reimbursement are supported by the meal count records and that those meal count records are safeguarded against loss have been resolved in the current year.