

TOWN OF NEWTON SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018

TOWN OF NEWTON SCHOOL DISTRICT
COUNTY OF SUSSEX
AUDITORS' MANAGEMENT REPORT ON ADMINISTRATIVE
FINDINGS - FINANCIAL,
COMPLIANCE AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
TABLE OF CONTENTS

	<u>Page</u>
Cover Letter	1
Scope of Audit	2
Administrative Practices and Procedures:	2
Insurance	2
Officials in Office and Surety Bonds	2
Tuition Charges	2
Financial Planning, Accounting and Reporting:	2
Examination of Claims	2
Payroll Account and Position Control Roster	2
Reserve for Encumbrances and Accounts Payable	3
Classification of Expenditures	3
Board Secretary's Records	3
Treasurer's Records	3
Elementary and Secondary Education Act (E.S.E.A.) as amended by the Every Student Succeeds Act.	3
Other Special Federal and/or State Projects	3
T.P.A.F. Reimbursement	3-4
Travel Expense and Reimbursement Policy	4
School Purchasing Programs:	4
Contracts and Agreements Requiring Advertisement for Bids	4-5
School Food Service Fund	5
Student Body Activities	5-6
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	6
Testing for Lead of all Drinking Water in Educational Facilities	6
Management Suggestion	7
Follow-up on Prior Year Findings	7
Schedule of Meal Count Activity (not applicable)	
Schedule of Net Cash Resources (not applicable)	
Schedule of Audited Enrollment	8
Excess Surplus Calculation	13
Summary of Recommendations	15



Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-328-1825 | 973-328-0507 Fax
Lawrence Business Center
11 Lawrence Road
Newton, NJ 07860
973-383-6699 | 973-383-6555 Fax

January 18, 2019

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

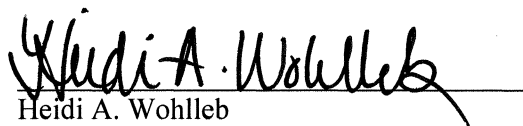
We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Board of Education of the Town of Newton School District in the County of Sussex for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 18, 2019.

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 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


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, 2018

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 CAFR.

Officials in Office and Surety Bonds

<u>Name</u>	<u>Position</u>	<u>Coverage</u>
Dawn L. Babcock	Treasurer of School Monies	\$ 235,000
Donna C. Snyder	Business Administrator/Board Secretary	235,000

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

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.

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.

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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.

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.

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 CAFR. This section of the CAFR 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 CAFR. This section of the CAFR 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 CAFR.

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

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.

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Financial Planning, Accounting and Reporting (Cont'd)

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, 2018. 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.

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"

Effective July 1, 2015 and thereafter the bid thresholds in accordance with *N.J.S.A.* 18A:18A-2 and 18A:18A-3(a) are \$40,000 (with a Qualified Purchasing Agent) and \$29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under *N.J.S.A.* 18A:39-3 is \$19,000 for 2017-2018.

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

School Purchasing Programs (Cont'd)

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

As per N.J.S.A. 18A:18A-3, the Board passed a resolution at its July 28, 2015 meeting, authorizing the Business Administrator as a qualified purchasing agent and increasing the bid threshold to \$40,000.

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. No exceptions 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.

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 school food service program was not selected as a major federal and/or state program. We inquired of school management, or the appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

We also inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. 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 CAFR Schedule B-5 does separate program and non-program revenue and program and non-program cost of goods sold.

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.

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Student Body Activities (Cont'd)

Finding

During our review of the analyses of balance for the High School and Halsted Middle School student activities accounts, we noted certain clubs/activities with a small deficit balance. As the District is in the process of resolving these deficits and will ensure balances are reviewed on a regular basis in the future, a formal recommendation is not deemed necessary.

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2017 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 minor exceptions. The information that was included on the workpapers was verified on a test basis with a minor exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The District maintained workpapers on the prescribed State forms or their equivalent.

The District'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 2017-2018 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

Our procedures included a review of the SDA grant agreements for consistency with recording SDA revenue and awarding contracts for eligible facilities construction.

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).

TOWN OF NEWTON SCHOOL DISTRICT
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE
AND PERFORMANCE
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

Management Suggestion

Many school districts contract with service providers to perform functions such as the processing of payroll and provision of food service management services. In conjunction with these services, the service provider will engage an auditor to perform a SOC 1 (System and Organization Controls) engagement which results in a SOC 1 report. There are two different types of SOC 1 reports - a Type 1 and a Type 2 report. Both report on the fairness of the presentation of management's description of the service organization's system and the design of the controls to achieve the related control objectives. The Type 1 report is through a specific period. The Type 2 report also reviews the operating effectiveness of the controls included in the description throughout a specified period. Included in the Type 2 report will be the individual controls, what was tested and the results of the testing.

We suggest that the District review these SOC 1 reports to determine if there are any exceptions noted in the opinion in the Independent Auditors' Report. Additionally, for SOC 1 Type 2 reports we suggest that the District review the test results related to the individual control testing to determine if there were any exceptions noted. If exceptions are noted in the report the District should contact the service provider and inquire what steps the service provider is taking to address these exceptions.

Follow-up on Prior Year Finding/Recommendation

There were no prior year recommendations.

TOWN OF NEWTON SCHOOL DISTRICT
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 13, 2017

	2018-2019 Application for State School Aid											
	Reported on		Reported on		Errors		Sample		Sample for Verification		Errors per	
	A.S.S.A. On Roll	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared
Half Day Preschool	27		27				27		27			
Full Day Kindergarten	78		78				78		78			
Grade One	66		66				66		66			
Grade Two	71		71				71		71			
Grade Three	73		73				73		73			
Grade Four	78		79		(1)		79		79			
Grade Five	66		66				66		66			
Grade Six	71		71				71		71			
Grade Seven	60		60				60		60			
Grade Eight	65		65				65		65			
Grade Nine	145		145				145		145			
Grade Ten	145		145				145		145			
Grade Eleven	150		150				150		150			
Grade Twelve	178		178				178		178			
Subtotal	1,273		1,274		(1)		1,274		1,274			
Special Education:												
Elementary School	110		110				10		10			
Middle School	50		50				5		5			
High School	101		101				10		10			
Subtotal	261		261				25		25			
Totals	1,534		1,535		(1)		1,299		1,299		-0-	-0-
Percentage Error					-0.07%						0.00%	0.00%

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	<u>Private Schools for Disabled</u>			
	<u>Reported on ASSA as Private Schools</u>	<u>Sample for Verification</u>	<u>Sample Verified</u>	<u>Sample Errors</u>
Special Education:				
Middle School	1	1	1	
High School	5	2	2	
Totals	<u>6</u>	<u>3</u>	<u>3</u>	<u>-0-</u>
Percentage Error				<u>0.00%</u>

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENT
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	Resident Low Income			Sample for Verification		
	Reported on ASSA as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	44	44		2	2	
Grade One	29	29		2	2	
Grade Two	29	29		2	2	
Grade Three	36	36		2	2	
Grade Four	35	35		2	2	
Grade Five	28	28		2	2	
Grade Six	33	33		2	2	
Grade Seven	21	19	2	1	1	
Grade Eight	23	23		1	1	
Grade Nine	29	29		1	1	
Grade Ten	18	18		1	1	
Grade Eleven	24	24		1	1	
Grade Twelve	16	16		1	1	
Subtotal	<u>365</u>	<u>363</u>	<u>2</u>	<u>20</u>	<u>20</u>	
Special Education:						
Elementary School	66	66		2	2	
Middle School	30	30		2	2	
High School	20	20		1	1	
Subtotal	<u>116</u>	<u>116</u>		<u>5</u>	<u>5</u>	
Totals	<u>481</u>	<u>479</u>	<u>2</u>	<u>25</u>	<u>25</u>	
Percentage Error			<u>0.42%</u>			

TOWN OF NEWTON SCHOOL DISTRICT
 APPLICATION FOR STATE SCHOOL AID SUMMARY
 SCHEDULE OF AUDITED ENROLLMENTS
 ENROLLMENT AS OF OCTOBER 13, 2017

	Resident LEP Low Income				Resident LEP Not Low Income				
	Reported on A.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.A. as LEP Not Low Income	Reported on Workpapers as LEP Not Low Income	Sample Selected from Workpapers	Verified to Test Scores and Register	Sample Errors
Full Day Kindergarten	2	2							
Grade One	2	2			1	1			
Grade Two	1	1			4	4	1	1	
Grade Three	2	2	1	1					
Grade Four	1	1							
Grade Five	1	1			1	1			
Grade Six	1	1	1	1					
Grade Seven									
Grade Eight	2	2							
Grade Nine									
Grade Ten	2	2	1	1					
Grade Eleven	1	1			2	2			
Grade Twelve					3	3	1	1	
Subtotal	15	15	3	3	11	11	2	2	
Special Ed - Elementary	2	2			1	1			
Special Ed - Middle School	1	1							
Subtotal	3	3			1	1			
Totals	18	18	3	3	12	12	2	2	-0-
Percentage Error									0.00%

TOWN OF NEWTON SCHOOL DISTRICT
SCHEDULE OF AUDITED ENROLLMENTS
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017

	Transportation					
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	68	68	-0-	6	6	
Regular - Special Education	1	1	-0-	1	1	
Transported - Non Public	28	28	-0-	3	3	
AIL Non- Public	2	2	-0-	1	1	
Special Needs - Public	51	51	-0-	4	4	
Special Needs - Private	5	5	-0-	1	1	
Totals	155	155	-0-	16	16	-0-
Percentage Error			0.00%			0.00%

	Reported	Recalculated
Average Mileage - Regular Including Grade PK Students	6.5	6.5
Average Mileage - Regular Excluding Grade PK Students	6.5	6.5
Average Mileage - Special Education with Special Needs	5.1	5.1

TOWN OF NEWTON SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2018

EXCESS SURPLUS CALCULATION

REGULAR DISTRICT

SECTION 1

A. 2% Calculation of Excess Surplus

2017-18 Total General Fund Expenditures per the CAFR, Ex. C-1	<u>\$ 30,918,115</u> (B)
Increased by:	
Transfer from Capital Outlay to Capital Projects Fund	<u>\$ -0-</u> (B1a)
Transfer from Capital Reserve to Capital Projects Fund	<u>\$ 54,298</u> (B1b)
Transfer from General Fund to SRF for PreK-Regular	<u>\$ -0-</u> (B1c)
Transfer from General Fund to SRF for PreK-Inclusion	<u>\$ -0-</u> (B1d)
Decreased by:	
On-Behalf TPAF Pension and Social Security	<u>\$ 3,997,157</u> (B2a)
Assets Acquired Under Capital Leases	<u>\$ -0-</u> (B2b)
Adjusted 17-18 General Fund Expenditures [(B)+(B1's)-(B2's)]	<u>\$ 26,975,256</u> (B3)
2% of Adjusted 2017-18 General Fund Expenditures [(B3) times .02]	<u>\$ 539,505</u> (B4)
Enter Greater of (B4) or \$250,000	<u>\$ 539,505</u> (B5)
Increased by: Allowable Adjustment	<u>\$ 11,084</u> (K)
Maximum Unassigned Fund Balance [(B5)+(K)]	<u>\$ 550,589</u> (M)

SECTION 2

Total General Fund - Fund Balances @ 6/30/18 (Per CAFR Budgetary Comparison Schedule C-1)	<u>\$ 2,115,903</u> (C)
Decreased by:	
Year End Encumbrances	<u>\$ 148,185</u> (C1)
Legally Restricted - Designated for Subsequent Year's Expenditures	<u>\$ -0-</u> (C2)
Legally Restricted - Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 18,775</u> (C3)
Other Restricted/Reserved Fund Balances	<u>\$ 1,198,092</u> (C4)
Assigned - Designated for Subsequent Year's Expenditures	<u>\$ 200,262</u> (C5)
Additional Assigned Fund Balance - Unreserved - Designated for Subsequent Year's Expenditures 7/1/18-8/1/18	<u>\$ -0-</u> (C6)
Total Unassigned Fund Balance [(C)-(C1)-(C2)-(C3)-(C4)-(C5)-(C-6)]	<u>\$ 550,589</u> (U1)

TOWN OF NEWTON SCHOOL DISTRICT
EXCESS SURPLUS CALCULATION
FISCAL YEAR ENDED JUNE 30, 2018
(Continued)

SECTION 3

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

Recapitulation of Excess Surplus as of June 30, 2018

Restricted Excess Surplus - Designated for Subsequent Year's Expenditures	<u>\$ 18,775 (C3)</u>
---	-----------------------

Restricted Excess Surplus [(E)]	<u>\$ -0- (E)</u>
---------------------------------	-------------------

Total [(C3)+(E)]	<u>\$ 18,775 (D)</u>
------------------	----------------------

Detail of Allowable Adjustments

Impact Aid	<u>\$ -0- (H)</u>
------------	-------------------

Sale and Lease Back	<u>\$ -0- (I)</u>
---------------------	-------------------

Extraordinary Aid	<u>\$ 9,441 (J1)</u>
-------------------	----------------------

Additional Nonpublic School Transportation Aid	<u>\$ 1,643 (J2)</u>
--	----------------------

Current Year School Bus Advertising Revenue Recognized	<u>\$ -0- (J3)</u>
--	--------------------

Family Crisis Transportation Aid	<u>\$ -0- (J4)</u>
----------------------------------	--------------------

Total Adjustments ((H)+(I)+(J1)+(J2)+(J3)+(J4))	<u>\$ 11,084 (K)</u>
---	----------------------

Detail of Other Restricted Fund Balance

Statutory restrictions:

Approved unspent separate proposal	<u>\$ -0-</u>
------------------------------------	---------------

Sale/lease-back reserve	<u>\$ -0-</u>
-------------------------	---------------

Capital reserve	<u>\$ 1,198,092</u>
-----------------	---------------------

Maintenance reserve	<u>\$ -0-</u>
---------------------	---------------

Emergency reserve	<u>\$ -0-</u>
-------------------	---------------

Tuition reserve	<u>\$ -0-</u>
-----------------	---------------

School Bus Advertising 50% Fuel Offset Reserve - current year	<u>\$ -0-</u>
---	---------------

School Bus Advertising 50% Fuel Offset Reserve - prior year	<u>\$ -0-</u>
---	---------------

Impact Aid General Fund Reserve (Sections 8002 and 8003)	<u>\$ -0-</u>
--	---------------

Impact Aid Capital Fund Reserve (Sections 8007 and 8008)	<u>\$ -0-</u>
--	---------------

Other state/governmental mandated reserve	<u>\$ -0-</u>
---	---------------

Other Restricted Fund Balance not noted above	<u>\$ -0-</u>
---	---------------

Total Other Restricted Fund Balance	<u>\$ 1,198,092 (C4)</u>
-------------------------------------	--------------------------

TOWN OF NEWTON SCHOOL DISTRICT
SUMMARY OF RECOMMENDATIONS
FISCAL YEAR ENDED JUNE 30, 2018

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
None
6. Application for State School Aid
None
7. Pupil Transportation
None
8. Facilities and Capital Assets
None
9. Status of Prior Year's Finding/Recommendation
There were no prior year recommendations.