

CITY OF NEWTON

IN BOARD OF ALDERMEN

FINANCIAL AUDIT SUBCOMMITTEE AGENDA

MONDAY, MARCH 9, 2009

6:30 PM
Room 222

ITEMS SCHEDULED FOR DISCUSSION:

- Chris Rogers, Sullivan & Rogers, LLC will join the Committee to provide a preliminary report on the FY08 Audit

Time permitting:

- Status of June 30, 2008 MUNIS receivable reconciliations for the completion of year-end audit
- Status of FY09 monthly receivable reconciliations (discussion to assist avoiding FY08 issue & to comply with Sullivan & Rogers recommendation)
- Status of Treasurer Office staffing

Respectfully Submitted,

Scott F. Lennon, Chairman



Certified Public Accountants

Sullivan, Rogers & Co. Audit Report

SULLIVAN, ROGERS & COMPANY, LLC

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March 5, 2009

Mr. David C. Wilkinson
City Comptroller
City Hall
1000 Commonwealth Avenue
Newton, Massachusetts 02459

Dear David:

Attached please find the following:

1. An electronic copy of the management letter
2. An electronic copy of the reports on federal awards programs

Please note that we are still awaiting the following information to complete our audit:

1. The legal letter from Morgan, Brown & Joy
2. Several state pass through numbers required for the reports on federal awards programs. These are identified on the schedule of expenditures of federal awards as "OPEN".

After we receive the aforementioned legal letter, we will have a final report date at which time we can date the reports and send you the Management Representation Letter for signature.

We also received your copy of the introductory section and management's discussion and analysis today. We will review these sections of the CAFR for consistency with the entire document. We anticipate issuing a draft of the CAFR no later than Friday March 13.

Please distribute the attached reports to the audit committee (and any other appropriate parties) so they have an opportunity to review them prior to our meeting on March 9. In addition, please distribute the management letter comments and the findings reported in the reports on federal awards programs to the appropriate parties so responses can be formulated and forwarded to us by March 20.

If you have any questions and/or comments regarding the attached reports or any other matters please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "C. J. Rogers". The signature is written in a cursive, flowing style.

Christian J. Rogers, CPA
Shareholder

cc: Mr. Scott Lennon, Audit Committee Chair

CITY OF NEWTON, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2008

Draft 03/03/09

Draft 03/05/09

Sullivan, Rogers & Co. Audit Report

To the Honorable Board of Aldermen and Mayor
City of Newton, Massachusetts

In planning and performing our audit of the financial statements of the City of Newton, Massachusetts (City) as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the conditions identified in our *Report on Internal Control Over Financial Reporting and Compliance and Other Matters*, dated OPEN, represent material weaknesses.

During our audit we also became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. Our comments and recommendations concerning those matters are summarized in the memorandum that accompanies this letter. This letter does not affect our report dated OPEN, on the financial statements of the City.

The City's written responses to the matters identified in our audit have not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

This communication is intended solely for the information and use of management, the Audit Committee, Board of Aldermen, Mayor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

OPEN (DATE)

CITY OF NEWTON, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2008

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Draft 03/05/09

Comments and Recommendations

Accounts Receivable Reconciliations

Comment

Consistent with prior years, procedures are not in place to reconcile the Collector's detailed accounts receivable balances to the general ledger timely. Effective internal controls require the timely reconciliation of detailed accounts receivable balances to the general ledger. Failure to perform these tasks timely inhibits the safeguarding of assets and does not provide for accurate and timely financial reporting.

In addition, when the reconciliations were performed subsequent to year-end, material variances existed between the detailed water and sewer accounts receivable balances and the general ledger. The City subsequently hired a consultant to assist with the reconciliation, which, among many things, identified that current personnel did not have a full understanding of how the system operates. The current condition has a negative impact on the reconciliation process and accurate and timely financial reporting.

Recommendation

We recommend that formal procedures be implemented to reconcile the Collector's detailed accounts receivable balances to the general ledger no later than 30 days after the end of the previous month. We also recommend that the Treasurer/Collector and Comptroller approve (e.g., sign off) each accounts receivable reconciliation.

We recommend that the appropriate personnel obtain the necessary training on the MUNIS detailed accounts receivable module. We also recommend that the City evaluate the need for additional training as new versions of the software become available and are implemented.

Management's Response

Bank Deposits

Comment

June cash receipts, consisting of multiple deposit slips and totaling approximately \$1,280,000, were deposited at the bank throughout the month of July. The lack of timely deposits not only increases the risk of theft, misplacement, or misappropriation, but has a negative impact on cash flows and investment income and potentially delays the cash reconciliation process, which negatively impacts the financial reporting process.

Recommendation

We recommend that procedures be implemented to deposit cash receipts daily.

Management's Response

Draft 03/05/09

Position Control

Comment

The City has purchased, but does not utilize, the position control module of the Finance Plus accounting information system. The position control module is designed to define, track, and control available employee positions and, when utilized appropriately, can be an invaluable budget tool.

Recommendation

We recommend that management evaluate and consider the use of the position control module.

Management's Response

Draft 03/05/09

Collective Bargaining Agreements

Comment

Our prior year management letter identified that when the City renegotiates a collective bargaining agreement (CBA), a fully updated and complete CBA is not executed. Instead, Memorandums of Agreement are written that details the changes from the original CBA.

During fiscal year 2008, improvement was made in this area as several CBA's were updated/re-written to reflect the current CBA. However, this process has not occurred for all existing CBA's. It should also be noted that completed CBA's have been posted on the Human Resources web page of the City's website since 2006.

Recommendation

We recommend that the City continue its progress towards executing a full and complete CBA each time a negotiated contract is settled. The CBA's should be maintained in electronic format (word) so when a re-negotiation occurs, the electronic file can simply be updated for any changes. As a result, a full and complete CBA will be maintained in one document at all times.

Management's Response

Draft 03/05/09

Parking Meters

Comment

Our prior year management letter identified the following deficiency related to the City's parking meter collection process:

1. Collections (coins) are unsecured from the time the meter is opened until the time the collections are delivered to the Treasurer/Collector's office.

The City has investigated alternatives to the current parking meter collection method and an appropriation in the amount of \$115,000 has been authorized for the purpose of upgrading the parking meter collection system.

Recommendation

We recommend that the City continue its evaluation of new parking meters to strengthen the internal controls surrounding the parking meter collection process.

Management's Response

Draft 03/05/09

Cash Receipts – School Lunch Program

Comment

Our prior year management letter identified four (4) deficiencies related to the school lunch program's cash receipt process. During fiscal year 2008, procedures were implemented to resolve one (1) of the deficiencies (related to the High School) previously identified. However, the following deficiencies remain unresolved:

Elementary Schools

1. Although some parents mail in school lunch payments to the food service office, students often bring lunch money to school with them and give it to their homeroom teachers. However, in some schools the money is continues to be placed in envelopes that are taped on the classroom doors. In these schools, the students and teachers have access to these envelopes and know that they contain the cash payments. This process does not properly safeguard assets.
2. Bank deposits are made approximately twice a month. The lack of timely deposits not only increases the risk of theft, misplacement, or misappropriation, but has a negative impact on cash flows and investment income and potentially delays the cash reconciliation process, which negatively impacts the financial reporting process.

Recommendation

Elementary Schools

We recommend that school lunch money brought in by students be given directly to the applicable homeroom teacher. We also recommend a uniform process for all schools be implemented whereby an employee picks up the school lunch money from each homeroom teacher at the start of every school day.

We recommend that the Food Services Director deposit the elementary school lunch receipts daily (similar to the secondary schools' process). We also recommend that the elementary schools consider the cost/benefit of adopting the "School Lunch Box" system (currently utilized by the High School) to streamline the cash receipts process.

Management's Response

Student Activity Funds - Elementary Schools

Comment

The City's elementary schools have not adopted the student activity fund law as defined in Chapter 66 of the Acts of 1996 (Act). In summary, the Act requires the following:

- The School Committee to authorize School Principals to receive funds in connection with the administration of student activities.
- Student activity funds to be deposited with the Treasurer into a separate interest bearing account (Student Activity Agency Account).
- Interest earned on the Student Activity Agency Account to be retained by the fund and disbursed at the discretion of the School Committee.
- In addition to the Student Activity Agency Account, the School Committee may authorize School Principals to establish a separate checking account (Student Activity Checking Account), which may only be used to disburse funds for the exclusive benefit of student activities.
- The School Committee to establish a maximum amount to be maintained in the Student Activity Checking Account.
- Funds, up to the maximum amount authorized by the School Committee, to be transferred from the Student Activity Agency Account to the Student Activity Checking Account (via the City's warrant process) to initially fund the Student Activity Checking Account.
- Periodically and to the extent funds are available in the Student Activity Agency Account, the City to reimburse the Student Activity Checking Account through the City's warrant process.

Recommendation

We recommend that all student activity funds be maintained in accordance with the Act.

Management's Response

Old Outstanding Checks

Comment

The vendor and payroll outstanding checklists maintained by the Treasurer include many checks greater than three (3) months old totaling approximately \$228,000. Typically, checks greater than three (3) months old reflect checks that have been void, lost, misplaced or stolen. There is currently no process/procedure in place to investigate and resolve the status of these checks.

Recommendation

We recommend that the Treasurer/Collector's office implement monthly procedures to investigate and resolve outstanding checks greater than three (3) months old. Implementation of this recommendation will strengthen internal controls over cash disbursements.

Management's Response

Draft 03/05/09

Unauthorized Bank Accounts Using the City's Tax Identification Number

Comment

We identified eight (8) bank accounts that are using the City's tax identification number that are not authorized by the Treasurer. Usually these accounts represent quasi-governmental organizations, such as parent teacher organizations, booster clubs, etc. However, since these accounts are maintained under the City's tax identification number, the City is potentially at risk if fraudulent activities were to occur in any of these accounts. The City is also potentially at risk if the bank account is unknowingly controlled by a City department, whereby activity would occur outside the City's internal controls and circumvent municipal finance laws.

In addition, the Treasurer should have signature authority on all bank accounts maintained under City's tax identification number and the activity related to the bank accounts should be recorded on the general ledger.

Recommendation

We have provided a list of the unauthorized bank accounts to the Treasurer/Collector. We recommend that the Treasurer/Collector contact the related banks to begin the process of closing all of the unauthorized bank accounts.

Management's Response

Draft 03/05/09

Disaster Recovery Plan

Comment

In prior years' management letters, we identified that the City's disaster recovery plan did not address the hardware required to access financial data or the location to operate the hardware. To address this issue, the City has purchased an additional server and selected a separate location to maintain financial operations in case a disaster occurs.

The additional server will have the capability of operating Finance Plus, which includes the City's general ledger, payroll and human resource functions. However, the server will not have the capability of operating the MUNIS accounting information system, which maintains all of the detailed activity (i.e., commitments, payments, refunds, etc.) of the City's accounts receivable (i.e., real estate, personal property, water, sewer, etc.).

Recommendation

We recommend that management include the hardware required to access financial data from the MUNIS accounting information system in the current disaster recovery plan.

Management's Response

Draft 03/05/09

Financial Policies and Procedures Manual

Comment

Although the City adopted top level financial policies during fiscal year 2008, we believe that preparation of a formal policy and procedures manual would improve and standardize the City's financial policies and procedures. Without formalized written policies and procedures, the City is inherently subject to everyday inconsistencies in its operations. It is also difficult to measure performance and efficiencies without a baseline. The number of such inconsistencies can be minimized by the written codification of policies and procedures and insistence on adherence to them.

Such a manual should include policies and procedures relative to all financial functions and processes, including, but not limited to, the following:

- Cash receipts
- Purchase orders
- Cash disbursements
 - Payroll
 - Vendor
- Administration of grants
- Administration of student activity funds
- Personnel (i.e., hiring, payroll and related changes, etc.)
- Month-end and year-end closing procedures

The manual should also clearly define the objectives, responsibilities and authorizations for all employees/job positions.

The use of written policies, procedures, and job descriptions in conjunction with specific assignment of responsibilities would increase supervisory personnel's effectiveness. Such written documents would decrease the time spent on supervision of clerical personnel and in attempts to define job responsibilities on each occasion of employee turnover.

Recommendation

We recommend that the City develop and implement a financial policies and procedures manual.

Management's Response

Risk Assessment and Monitoring

Comment

When internal controls are *initially* implemented, they are usually designed to adequately safeguard assets. However, over time, these controls can become ineffective due to changes in technology, operations, etc. In addition, changes in personnel and structure, as well as the addition of new programs and services, can add risks that previously did not exist. As a result, all municipalities must periodically perform a risk assessment to anticipate, identify, analyze and manage the risk of asset misappropriation. Risk assessment (which includes fraud risk assessment), is one element of internal control.

The risk assessment should be performed by management-level employees who have extensive knowledge of the City's operations. Ordinarily, the management-level employees would conduct interviews or lead group discussions with personnel who have knowledge of the City's operations, its environment, and its processes. The risk assessment process should consider the City's vulnerability to misappropriation of assets. It should also address operations that involve heightened levels of risk. When conducting the assessment, the following questions should be considered:

- What assets are susceptible to misappropriation?
- What departments receive cash receipts?
- What departments have movable inventory?
- What operations are the most complex?
- How could assets be stolen?
- Are there any known internal control weaknesses that would allow misappropriation of assets to occur and remain undetected?
- How could potential misappropriation of assets be concealed?
- What prior internal control issues could still continue to be problematic?

Once the areas vulnerable to risks have been identified, a review of the City's systems, procedures, and existing controls related to these areas should be conducted. The City should consider what additional controls (if any) need to be implemented to reduce risk.

After risk has been assessed, periodic monitoring of the identified risk areas must be performed in order to evaluate the controls that have been implemented to mitigate the risks. Since control-related policies and procedures tend to deteriorate over time, the monitoring process ensures that controls are fully operational and effective.

Recommendation

We recommend that management develop and implement a risk assessment program to periodically anticipate, identify, analyze, and manage the risk of asset misappropriation. The risk assessment program should be formally documented and become part of the City's financial policies and procedures manual.

We recommend that management develop and implement a monitoring program to periodically evaluate the operational effectiveness of internal controls. The monitoring process should be documented in order to facilitate the evaluation of controls and to identify improvements that need to be made.

Management's Response

CITY OF NEWTON, MASSACHUSETTS
REPORTS ON FEDERAL AWARD PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Draft 03/10/09

Draft 03/05/09

CITY OF NEWTON, MASSACHUSETTS
REPORTS ON FEDERAL AWARD PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

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Draft 03/05/09

Sullivan, Rogers & Co. Audit Report

Independent Auditors' 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*

To the Honorable Board of Aldermen and Mayor
City of Newton, Massachusetts

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Newton, Massachusetts, as of and for the fiscal year ended June 30, 2008 (except for the Newton Contributory Retirement System and the Newton Commonwealth Foundation, Inc., which are as of and for the fiscal year ended December 31, 2007, and the Newton Schools Foundation, Inc., which is as of and for the fiscal year ended June 30, 2007), which collectively comprise the City of Newton, Massachusetts' basic financial statements and have issued our report thereon dated OPEN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Newton, Massachusetts' internal control over financial reporting as a basis for designing our auditing procedures 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 City of Newton, Massachusetts' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Newton, Massachusetts' internal control over financial reporting.

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Newton, Massachusetts' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Newton, Massachusetts' financial statements that is more than inconsequential will not be prevented or detected by the City of Newton, Massachusetts' internal control. We consider the deficiencies described in items 08-1 and 08-2 in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting.

Sullivan, Rogers & Co. Audit Report

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider the significant deficiencies as described in items 08-1 and 08-2 in the accompanying schedule of findings and questioned costs to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Newton, Massachusetts' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the City of Newton, Massachusetts, in a separate letter dated OPEN.

The City of Newton, Massachusetts' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Newton, Massachusetts' responses and, accordingly, we express no opinion on them.

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

OPEN (DATE)

**Independent Auditors' Report on Compliance with Requirements Applicable to Each
Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

To the Honorable Board of Aldermen and Mayor
City of Newton, Massachusetts

Compliance

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

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

In our opinion, the City of Newton, Massachusetts complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2008.

Internal Control Over Compliance

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

Sullivan, Rogers & Co. Audit Report

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Newton, Massachusetts, as of and for the fiscal year ended June 30, 2008 (except for the Newton Contributory Retirement System and the Newton Commonwealth Foundation, Inc., which are as of and for the fiscal year ended December 31, 2007, and the Newton Schools Foundation, Inc., which is as of and for the fiscal year ended June 30, 2007), and have issued our report thereon dated OPEN. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the City of Newton, Massachusetts' basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

OPEN (DATE)

Sullivan, Rogers & Co. Audit Report

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
<u>Passed through the State Department of Education:</u>			
Food Distribution Program	10.550	09-207	\$ 99,178
<i>Child Nutrition Cluster:</i>			
School Breakfast Program	10.553	09-207	404,385
National School Lunch Program	10.555	09-207	50,020
Total U.S. Department of Agriculture			<u>553,583</u>
U.S. Department of Housing and Urban Development			
<u>Direct Programs:</u>			
Community Development Block Grant	14.218	Not Applicable	2,653,671
Emergency Shelter Grants Program	14.231	Not Applicable	99,081
Supportive Housing Program	14.235	Not Applicable	2,699
HOME Investment Partnerships Program	14.239	Not Applicable	4,333,758
Fair Housing Initiatives Program	14.408	Not Applicable	57,503
Total U.S. Department of Housing and Urban Development			<u>7,146,712</u>
U.S. Department of Justice			
<u>Passed through the State Executive Office of Public Safety:</u>			
Law Enforcement Block Grant	16.592	OPEN	14,620
Institute of Museum and Library Services			
<u>Direct Program:</u>			
Museum for America Grant	45.301	Not Applicable	11,309
<u>Passed through the State Library Board of Commissioners:</u>			
Library Services and Technology Grant	45.310	8NEWTONFREELOOSE0000	14,656
Total Institute of Museum and Library Services			<u>25,965</u>
Environmental Protection Agency			
<u>Passed through the State Executive Office of Environmental Affairs:</u>			
Environmental Education Grant	66.951	OPEN	501
U.S. Department of Energy			
<u>Direct Program:</u>			
Solar Energy Demonstration Grant	81.117	Not Applicable	1,955

Sullivan, Rogers & Co. Audit Report

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
<u>Direct Programs:</u>			
Emergency Response Crisis Management Grant	84.184E	Not Applicable	186,903
School Counseling Demonstration Grant	84.215E	Not Applicable	365,887
Physical Education Grant	84.215F	Not Applicable	163,613
Small Learning Communities Program	84.215L	Not Applicable	121,886
Interface Program	84.215M	Not Applicable	459
Teaching American History Grant	84.215X	Not Applicable	212,111
<u>Passed through the State Department of Elementary & Secondary Education:</u>			
Title One Distribution (fiscal year 2007)	84.010	305-064-7-0207-H	70,695
Title One Distribution (fiscal year 2008)	84.010	305-206-8-0207-I	390,573
Title One Carryover Grant	84.010	305-330-8-0207-I	63,694
<u>Special Education Cluster:</u>			
SPED 94-142 Allocation (fiscal year 2007)	84.027	240-041-7-0207-H	120,313
SPED 94-142 Allocation (fiscal year 2008)	84.027	240-028-8-0207-I	2,714,603
Secondary Reading Grant (fiscal year 2007)	84.027	267-016-7-0207-H	22,123
Secondary Reading Grant (fiscal year 2008)	84.027	267-029-8-0207-I	12,817
SPED Program Improvement (fiscal year 2007)	84.027	274-118-7-0207-H	57,293
SPED Program Improvement (fiscal year 2008)	84.027	274-099-8-0207-I	43,877
<u>Passed through the State Department of Early Education and Care:</u>			
SPED Early Childhood Training (fiscal year 2007)	84.173	26207 NEWTONPUBLICSCH	1,414
SPED Early Childhood Training (fiscal year 2008)	84.173	26208 NEWTONPUBLICSCH	70,295
<u>Passed through the State Department of Elementary & Secondary Education:</u>			
Carl Perkins Occupational Education (fiscal year 2007)	84.048	400-072-7-0207-H	25,076
Carl Perkins Occupational Education (fiscal year 2008)	84.048	400-068-8-0207-I	34,584
Safe and Drug-Free Schools (fiscal year 2007)	84.186	331-050-7-0207-H	12,851
Safe and Drug-Free Schools (fiscal year 2008)	84.186	331-117-8-0207-I	34,689
Innovative Education Program (fiscal year 2007)	84.298	302-143-7-0207-H	4,412
Innovative Education Program (fiscal year 2008)	84.298	302-147-8-0207-I	7,037
Technical Literacy Grant (fiscal year 2007)	84.318	160-068-7-0207-H	8,075
Title III - English Language Acquisition (fiscal year 2007)	84.365	180-008-7-0207-H	15,232
Title III - English Language Acquisition (fiscal year 2008)	84.365	180-022-8-0207-I	116,616
Title IIA - Improving Teacher Quality (fiscal year 2007)	84.367	140-054-7-0207-H	104,909
Title IIA - Improving Teacher Quality (fiscal year 2008)	84.367	140-232-8-0207-I	207,280
Total U.S. Department of Education			5,189,317
U.S. Department of Health and Human Services			
<u>Passed through the State Executive Office of Health and Human Services:</u>			
School-Based Medicaid Reimbursement Program	93.778	1951726	299,556

(continued)

Sullivan, Rogers & Co. Audit Report

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
Centers for Disease Control and Prevention			
<u>Passed through the State Executive Office of Health and Human Services:</u>			
Public Health Emergency Preparedness Grant	93.996	OPEN	35,071
Corporation for National and Community Service			
<u>Passed through the State Department of Elementary & Secondary Education:</u>			
Learn and Serve Grant (fiscal year 2007)	94.004	354-022-7-0207-H	862
Learn and Serve Grant (fiscal year 2008)	94.004	354-029-8-0207-I	3,547
Total Corporation for National and Community Service			4,409
U.S. Department of Homeland Security			
<u>Passed through the State Executive Office of Public Safety:</u>			
State Homeland Security Program (MAPC Pass-Through)	97.073	OPEN	3,335
<u>Passed through the State Office of Emergency Management:</u>			
Public Assistance Grants	97.036	CDA 8OUTSIDESECT38MAYFLD	5,745
Total U.S. Department of Homeland Security			9,080
Total			\$ 13,280,769
			(concluded)

See notes to schedule of expenditures of federal awards.

Draft 03/05/09

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Newton, Massachusetts and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2 - U.S. Department of Agriculture Programs

The amount reported for the Food Distribution Program represents non-monetary assistance and is reported in the schedule at the fair market value of the commodities received. The amounts reported for the School Breakfast Program and National School Lunch Program represent cash receipts from federal reimbursements.

Note 3 - U.S. Department of Health and Human Services

The amount reported for the School-Based Medicaid Reimbursement Program represents federal cash receipts.

Note 4 - U.S. Department of Homeland Security

The amount reported for the Public Assistance Grants program represents federal cash receipts.

Note 5 - Sub-recipients

The City of Newton, Massachusetts provided the following awards to sub-recipients for the fiscal year ended June 30, 2008:

Program Description	CFDA Number	Amount
Community Development Block Grant	14.218	\$ 819,602
Emergency Shelter Grants Program	14.231	99,081
HOME Investment Partnerships Program	14.239	262,700
		\$ 1,181,383

A. Summary of Auditors' Results

1. The auditors' report expresses an unqualified opinion on the financial statements of the City of Newton, Massachusetts.
2. Significant deficiencies considered to be material weaknesses disclosed during the audit of the financial statements are reported in the Independent Auditors' 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.
3. No instances of noncompliance material to the financial statements of the City of Newton, Massachusetts, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for the City of Newton, Massachusetts expresses an unqualified opinion on all major federal award programs.
6. There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs were:

Program Description	CFDA Number
<i>Child Nutrition Cluster:</i>	
School Breakfast Program	10.553
National School Lunch Program	10.555
Community Development Block Grant	14.218
HOME Investment Partnerships Program	14.239
Title One Distribution	84.010
Title One Carryover Grant	84.010
Title III - English Language Acquisition Grants	84.365

8. The threshold used for distinguishing between Type A and B programs was \$398,423.
9. The City of Newton, Massachusetts did not qualify as a low-risk auditee.

B. Findings - Financial Statement Audit

Significant Deficiencies Considered to be Material Weaknesses

08-1 Cash Disbursements

Condition: The municipal finance laws of the Commonwealth require prior approval of the Comptroller and Mayor for all disbursements from the City treasury. The source document for this approval and for updating the general ledger is a disbursement warrant that is prepared by the Comptroller's Office. Certain time sensitive disbursements such as state and federal payroll tax withholdings and debt service payments are, however, routinely wired by the Treasurer and subsequently reported to the Comptroller for placement on a "checkless" warrant. We identified that procedures are not in place to consistently report "checkless" disbursements to the Comptroller's Office.

Criteria: Effective internal controls require the timely reporting of all cash receipt and disbursement activity to the Comptroller's Office. Failure to perform this task timely inhibits the safeguarding of assets and impedes accurate and timely financial reporting.

Effect: Misstatements due to error or fraud may occur and not be detected timely. Our audit identified one "checkless" disbursement, totaling approximately \$400,000, which was not reported to the Comptroller's Office during the fiscal year.

Auditors' Recommendation: We recommend that procedures be implemented to report "checkless" disbursements to the Comptroller's Office timely (as they occur).

Response:

08-2 Reconciliation of Bank Accounts

Condition: Procedures are not in place to investigate and resolve reconciling items between individual bank accounts and the Treasurer's cash book balance timely.

Criteria: Effective internal controls require the timely investigation and resolution of reconciling items.

Effect: Misstatements due to error or fraud may occur and not be detected timely. Our audit identified one "checkless" disbursement (described in item 08-1 above), totaling approximately \$400,000, which was not reported to the Comptroller's Office during the fiscal year.

Auditors' Recommendation: We recommend that procedures be implemented to investigate and resolve reconciling items between individual bank accounts and the Treasurer's cash book by the end of the subsequent month.

C. Findings and Questioned Costs - Major Federal Award Programs Audit

None.

D. Summary of Prior Audit Findings**FINANCIAL STATEMENT AUDIT***Significant Deficiencies Considered to be Material Weaknesses***07-1 Financial Reporting System**

Conditions: Although procedures (internal controls) were in place to perform timely reconciliations of the Treasurer's cash book to the general ledger; procedures were not in place to reconcile individual bank account balances to the Treasurer's cash book timely. In addition, procedures were not in place to reconcile the Collector's accounts receivable balances to the general ledger timely.

Current Status: Although the timeliness of individual bank reconciliations improved during the year, procedures are not in place to investigate and resolve reconciling items timely. Please see current year finding 08-2. The timeliness of accounts receivable reconciliations has not changed and is reported in the current year management letter.

MAJOR FEDERAL AWARD PROGRAMS AUDIT**Department of Education***Finding*

- 07-2** Small Learning Communities Program - CFDA No. 84.215L; Fiscal year ended June 30, 2007
Interface Program - CFDA No. 84.215M; Fiscal year ended June 30, 2007
Teaching American History Grant - CFDA No. 84.215X; Fiscal year ended June 30, 2007

Condition: Some of the contractual service expenditures obligated during fiscal year 2007 related to contracts that were procured in fiscal year 2006. During fiscal year 2006, program management did not use formal advertising to solicit open competition for purchases of contractual services related to its major programs, as prescribed in MGL Chapter 30, Section B (Uniform Procurement Act). The state procurement standards for municipalities outlined in MGL Chapter 30, Section B (Uniform Procurement Act) are more stringent than the relevant federal standards. Therefore, the Department of Education requires grantees to follow state procurement policies when procuring goods and services related to federal grants.

Current Status: This finding has been resolved.

Department of Agriculture*Finding*

- 07-3** Child Nutrition Cluster - CFDA No.'s 10.553 and 10.555; Fiscal year ended June 30, 2007

Condition: The claim for reimbursement forms submitted to the Commonwealth of Massachusetts' Department of Education (DOE) were not always supported by proper documentation.

Current Status: This finding has been resolved.



CITY OF NEWTON, MASSACHUSETTS

CITY HALL

1000 COMMONWEALTH AVENUE

NEWTON CENTRE, MA 02459

TELEPHONE (617) 796-1305

dwilkinson@newtonma.gov

David Wilkinson, Comptroller

March 6, 2009

TO: Audit Committee

FROM: David Wilkinson *[Signature]*

SUBJECT: Receivable Reconciliation Project

The objective of this report is to update you on one of the positive results of the City's MUNIS consultant contract.

As we've begun to understand the MUNIS receivable software better, it has become apparent that there are great benefits to be had from automating various data interfaces between the MUNIS software and the City's general ledger software.

Several years ago, the City's IT Department developed an electronic bridge for the transfer of cash receipt data to the general ledger. Within the past week, with the assistance and support of the IT Department, this electronic bridge has been modified to allow for the direct reporting of credit balance transfers and for the generation of revenue adjustments that previously had be prepared manually by the Comptroller's Office. Changes such as these not only allow for more productive use of Comptroller's Office and Treasury Department staffs, but also minimize the number of reconciling adjustments necessary between the general ledger and detailed receivable systems.

Attached for your review is a copy of documentation for the credit balance transfer process. Similar documentation will be provided as we proceed with the project.

09 MAR -6 AM 10:14
CITY CLERK
NEWTON, MA. 02159

Receivable Reconciliation Project
CITY OF NEWTON, MASSACHUSETTS
COMPTROLLER'S OFFICE
RECEIVABLE CREDIT BALANCE TRANSFER PROCESS

Before refunding credit balances on taxpayer or water/sewer customer accounts, the Treasurer's Office verifies that the customer or taxpayer has no other outstanding obligations to the City. If they do, the excess payment is transferred to the outstanding receivable before any refund is issued.

For many years, the overpayment in one receivable was applied to the outstanding balance in another receivable through a process whereby a refund check, payable to the City, was cut through the City's accounts payable system, and then re-deposited and credited to the outstanding receivable balance. This process was replaced several years ago with a manual journal entry that originated in the Treasurer's Office.

In an effort to eliminate duplicate manual data entry requirements in the Treasurer's Office (MUNIS receivable systems) and in the Comptroller's Office (general ledger), and to eliminate timing differences between when such adjustments are recorded in the City's receivable and general ledger systems, the City's Information Technology Department has developed an electronic bridge between the MUNIS receivable system and the City's general ledger. Receivable balance transfer transactions entered into the MUNIS receivable system are now transferred electronically, as batch receipts and supporting revenue journal entries to the general ledger. Batches are held in suspense in the financial management system until they are reviewed against supporting documentation by the Comptroller's Office and then posted to the general ledger.

The Treasurer's Office initiates a transfer transaction by entering the necessary reclassification into the MUNIS receivable system, after which time a cash receipt batch is created in the general ledger that reduces the excess cash payment against the account(s) which are overpaid and therefore carrying a credit balance, and increases the cash payment against the account that has a balance due. All such cash receipt batches must net to \$0, and must be uniquely identified by date (MMDDYY) followed by the letter "Z".

In addition to the \$0 cash receipt batch, two revenue adjustment journal entry batches are also created in the general ledger, one for the refund transactions and one for the payment transactions. These batches must be uniquely identified with the exactly the same as the cash receipt batch that they support. Both the cash receipt and supporting journal entries must reference the same fiscal year and period.

After the cash receipt reclassification batch has been reviewed, any errors are corrected, and it is posted, the related journal entries must be checked against the supporting cash receipt batch. After proving the journal entry batches to the cash receipt batch, and correcting any coding errors, the journal entries can be released and posted. It is very important that the cash receipt and journal entry batches reference the same fiscal year and period prior to final posting to the general ledger. If there is a difference between the two, the year and period on the cash receipt batch should govern.

Receivable Reconciliation Project
CITY OF NEWTON, MASSACHUSETTS
COMPTROLLER'S OFFICE
RECEIVABLE CREDIT BALANCE TRANSFER PROCESS

After completing the posting of cash receipt and supporting journal entries, copies of both should be made and filed together for future reference. The original cash receipt batch documentation should be filed with the cash receipts for the date applicable to the transfer and the original copies of the supporting journal entries should be filed with revenue adjustments for the appropriate fiscal year and period.

COMPTROLLER'S OFFICE REVIEW PROCESS:

Step 1 Print out cash receipt batch

- Verify that the fiscal year and accounting period for the batch is the correct one for the receipts being reclassified (note date in the description field)
- Verify that there are no errors requiring correction and that the cash receipt batch nets to \$0.
- If any corrections are necessary, make them and re-print the cash receipt batch.
- Determine total dollar amount of cash being reclassified (sum of all negative amounts or sum of all positive amounts). Record this sum on the batch sheet as (A).
- Next note the dollar amount of cash receipt deductions directly from revenue accounts ("4" accounts only – do not include "1" accounts) and record this sum on the batch sheet as (B).
- Next note the dollar amount of cash receipt additions directly to revenue accounts ("4" accounts only – do not include "1" accounts) and record this sum on the batch sheet as ©.
- The cash receipt batch may now be released and posted. Please file the original with the correct fiscal year and date's cash receipt schedules and make a copy to be used in verifying the accuracy of the supporting revenue journal entries.
- It is very important that cash receipt batches and revenue journal entries be posted to the same fiscal year and period and that both the cash receipt and journal entries be recorded not later than one business day apart.

Step 2 Print out supporting revenue journal entry batches. Supporting revenue journal entry batches have the same month-date-year(Z) identification as the cash receipt schedule to which it applies.

- First verify that the fiscal year and period on the supporting journal entries is the same as the cash receipt batch to which it applies. If not, correct this.

Receivable Reconciliation Project
CITY OF NEWTON, MASSACHUSETTS
COMPTROLLER'S OFFICE
RECEIVABLE CREDIT BALANCE TRANSFER PROCESS

- There should be two journal entries in each batch – one to reduce revenue (debit) and increase deferred revenue (credit) in the accounts from which the transfers are being made (refunds); and one to increase revenue (credit) and decrease deferred revenue (debit) in the accounts to which the transfers are being made (credits). Debits and credits should be equal in each journal entry, but will usually not be the same in both the refund and credit journal entries. The difference between the refund and credit journal entry totals should be the net amount of cash receipts applied directly to revenue accounts on the cash receipt schedule.
- After verifying that there are no corrections necessary in either journal entry, it will be necessary to verify that the revenue adjustments on the refund and credit journal entries are correct.
- In order to verify that the refund journal entry batch is correct, note the difference between the total value of the refund batch (D) and the supporting cash receipt batch (A). If the difference is the same as the total amount of cash receipts reduced directly from revenue accounts on the supporting cash receipt batch (B), then the refund batch total is correct.
- Next verify that the credit journal entry batch is correct, by comparing the difference between the total value of the credit batch (E) and the supporting cash receipt batch (A). If the difference is the same as the total amount of cash receipts added directly to revenue on the supporting cash receipt batch (C), then the credit batch total is correct.
- The revenue adjustment journal entry batches may now be released and posted. The original copies of the journal entries and supporting cash receipt batch copy should be filed with revenue adjusting journal entries for the applicable fiscal year and month. A separate copy of both the journal entry and cash receipt schedule should be filed together in a folder for later reference at month end when deferred revenue accounts are reconciled to receivable balances.

Receivable Reconciliation Project

02/27/09

CITY OF NEWTON, MASSACHUSETTS

PAGE 1

ACCOUNTING PERIOD: 7/09

BATCH RECEIPT EDIT LIST

RECORD BATCH PERIOD	ENTERED	LOWPROJ LOWP ACC	BUDGET CODE ACCOUNT	CASH ACCT	RECEIVE GL ACCT	RECEIPT #	DESCRIPTION PAYER	RECEIPT AMOUNT
164348 011409Z 7/09 asheehan	02/24/09		0110701 417001 1040		0		01/13/09 RECEIPTS-2532	- .02 (B)
164349 011409Z 7/09 asheehan	02/24/09		01 12202009 1040		0		01/13/09 RECEIPTS-2532	-3,094.53
164350 011409Z 7/09 asheehan	02/24/09		01 12202007 1040		0		01/13/09 RECEIPTS-2532	-145.41
164351 011409Z 7/09 asheehan	02/24/09		01 12202008 1040		0		01/13/09 RECEIPTS-2532	-1,793.27
164352 011409Z 7/09 asheehan	02/24/09		01 12102008 1040		0		01/13/09 RECEIPTS-2532	-6.92
164353 011409Z 7/09 asheehan	02/24/09		01 12102009 1040		0		01/13/09 RECEIPTS-2532	-55,917.84
164361 011409Z 7/09 asheehan	02/24/09		0110701 417002 1040		C		01/13/09 RECEIPTS-2533	5.00 (C)
164367 011409Z 7/09 asheehan	02/24/09		01 12202009 1040		0		01/13/09 RECEIPTS-2533	2,597.71
164368 011409Z 7/09 asheehan	02/24/09		01 12102009 1040		0		01/13/09 RECEIPTS-2533	6.92
164369 011409Z 7/09 asheehan	02/24/09		01 12602008 1040		0		01/13/09 RECEIPTS-2533	849.27
164370 011409Z 7/09 asheehan	02/24/09		01 12202009 1040		0		01/13/09 RECEIPTS-2533	54,782.19
TOTAL FUND								-2,716.90
164360 011409Z 7/09 asheehan	02/24/09		21 12302009 1040		0		01/13/09 RECEIPTS-2533	1,175.87
TOTAL FUND								1,175.87
164346 011409Z 7/09 asheehan	02/24/09		26 131006 1040		0		01/13/09 RECEIPTS-2532	-21.46
164347 011409Z 7/09 asheehan	02/24/09		26 131006 1040		0		01/13/09 RECEIPTS-2532	-6.25
164364 011409Z 7/09 asheehan	02/24/09		26 417006 1040		0		01/13/09 RECEIPTS-2533	.31 (C)
164365 011409Z 7/09 asheehan	02/24/09		26 131006 1040		0		01/13/09 RECEIPTS-2533	31.25
164366 011409Z 7/09 asheehan	02/24/09		26 131006 1040		0		01/13/09 RECEIPTS-2533	10.62
TOTAL FUND								14.47
164342 011409Z 7/09 asheehan	02/24/09		27 131002 1040		0		01/13/09 RECEIPTS-2532	-131.56
164343 011409Z 7/09 asheehan	02/24/09		27 131002 1040		0		01/13/09 RECEIPTS-2532	-75.53
164344 011409Z 7/09 asheehan	02/24/09		27 131002 1040		0		01/13/09 RECEIPTS-2532	-922.26
164357 011409Z 7/09 asheehan	02/24/09		27 417006 1040		0		01/13/09 RECEIPTS-2533	13.15 (C)
164358 011409Z 7/09 asheehan	02/24/09		27 131002 1040		0		01/13/09 RECEIPTS-2533	1,294.06
164359 011409Z 7/09 asheehan	02/24/09		27 131002 1040		0		01/13/09 RECEIPTS-2533	393.78
164362 011409Z 7/09 asheehan	02/24/09		27 13302009 1040		0		01/13/09 RECEIPTS-2533	698.77

Receivable Reconciliation Project

02/27/09

CITY OF NEWTON, MASSACHUSETTS

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ACCOUNTING PERIOD: 7/09

. BATCH RECEIPT EDIT LIST

RECORD BATCH PERIOD	ENTERED	LOWPROJ LOWP ACC	BUDGET CODE ACCOUNT	CASH ACCT	RECEIVE GL ACCT	RECEIPT #	DESCRIPTION PAYER	RECEIPT AMOUNT
164363 7/09	011409Z asheehan	02/24/09	27 13302009	1040	0		01/13/09 RECEIPTS-2533	56.15
TOTAL FUND								1,326.56
164339 7/09	011409Z asheehan	02/24/09	28 131001	1040	0		01/13/09 RECEIPTS-2532	-360.26
164340 7/09	011409Z asheehan	02/24/09	28 131001	1040	0		01/13/09 RECEIPTS-2532	-601.59
164341 7/09	011409Z asheehan	02/24/09	28 131001	1040	0		01/13/09 RECEIPTS-2532	-685.98
164345 7/09	011409Z asheehan	02/24/09	28 417006	1040	0		01/13/09 RECEIPTS-2532	-15.00 (B)
164354 7/09	011409Z asheehan	02/24/09	28 417006	1040	0		01/13/09 RECEIPTS-2533	9.61 (A)
164355 7/09	011409Z asheehan	02/24/09	28 131001	1040	0		01/13/09 RECEIPTS-2533	1,120.87
164356 7/09	011409Z asheehan	02/24/09	28 131001	1040	0		01/13/09 RECEIPTS-2533	608.20
164371 7/09	011409Z asheehan	02/24/09	28 13302009	1040	0		01/13/09 RECEIPTS-2533	124.15
TOTAL FUND								200.00
TOTAL BATCH								.00
TOTAL REPORT								.00

(A) TOTAL C/R BEING RECLASSIFIED:

43,777.88

(B) TOTAL C/R Reduced DIRECTLY FROM REVENUE

15.02
✓

(C) TOTAL C/R Added DIRECTLY TO REVENUE

28.07
✓

Receivable Reconciliation Project

02/27/09

CITY OF NEWTON, MASSACHUSETTS

PAGE 1

ACCOUNTING PERIOD: 8/09

BATCH JOURNAL ENTRY EDIT LIST

BATCH RECORD	J E FUND	NUMBER BUDGET CODE	DESCRIPTION ACCOUNT	PERIOD/ YR LOWPROJ	HOLD ACCOUNT	ITEM DESCRIPTION	DEBIT AMOUNT	CREDIT AMOUNT
011409Z	91818	01/13/09	RECEIPTS-25	7/09	N			
162307	01	01	261001					145.41
162308	01	01	261001					1,793.27
162309	01	01	261001					3,094.53
162310	01	01	261002					6.92
162311	01	01	261002					55,917.84
162312	01	0110701	411001A8				6.92	
162313	01	0110701	411001A9				55,917.84	
162314	01	0110701	411002A7				145.41	
162315	01	0110701	411002A8				1,793.27	
162316	01	0110701	411002A9				3,094.53	
162317	26	26	261010					6.25
162318	26	26	261010					21.46
162319	26	26	4210				6.25	
162320	26	26	4210				21.46	
162321	27	27	261010					75.53
162322	27	27	261010					131.56
162323	27	27	261010					922.26
162324	27	27	4210				75.53	
162325	27	27	4210				131.56	
162326	27	27	4210				922.26	
162327	28	28	261010					360.26
162328	28	28	261010					601.59
162329	28	28	261010					685.98
162330	28	28	4210				360.26	
162331	28	28	4210				601.59	
162332	28	28	4210				685.98	
TOTAL JOURNAL ENTRY							63,762.86	63,762.86
011409Z	91819			7/09	N			
162279	01	01	261001				2,597.71	
162280	01	01	261001				54,782.19	
162281	01	01	261002				6.92	
162282	01	01	261007				849.27	
162283	01	0110701	411001A9					6.92
162284	01	0110701	411002A9					2,597.71
162285	01	0110701	411002A9					54,782.19
162286	01	0110701	415028					849.27
162287	21	21	261004				1,175.87	
162288	21	21	411003A9					1,175.87
162289	26	26	261010				10.62	
162290	26	26	261010				31.25	
162291	26	26	4210					10.62
162292	26	26	4210					31.25
162293	27	27	261009				56.15	
162294	27	27	261009				698.77	
162295	27	27	261010				393.78	
162296	27	27	261010				1,294.06	
162297	27	27	4210					393.78
162298	27	27	4210					1,294.06
162300	27	27	4210SL					56.15
162299	27	27	4210SL					698.77
162301	28	28	261009				124.15	
162302	28	28	261010				608.20	

Receivable Reconciliation Project

02/27/09

CITY OF NEWTON, MASSACHUSETTS
BATCH JOURNAL ENTRY EDIT LIST

PAGE 2

ACCOUNTING PERIOD: 8/09

BATCH RECORD	J E FUND	NUMBER BUDGET CODE	DESCRIPTION ACCOUNT	PERIOD/YR LOWPROJ	HOLD ACCOUNT	ITEM DESCRIPTION	DEBIT AMOUNT	CREDIT AMOUNT
162303	28	28	261010				1,120.87	
162304	28	28	4210					608.20
162305	28	28	4210					1,120.87
162306	28	28	4210WL					124.15
TOTAL JOURNAL ENTRY							63,749.81	63,749.81 (E)
TOTAL BATCH							127,512.67	127,512.67
TOTAL REPORT							127,512.67	127,512.67

(D) REARd BATCH TOTAL
(A) C/R BATCH TOTAL

$$\begin{array}{r}
 63,762.86 \\
 63,777.88 \\
 \hline
 14.02 \text{ (B)} \\
 \checkmark
 \end{array}$$

(E) Credit BATCH TOTAL
(A) C/R BATCH TOTAL

$$\begin{array}{r}
 63,749.81 \\
 63,777.88 \\
 \hline
 28.07 \text{ (C)} \\
 \checkmark
 \end{array}$$