



To the City Council  
Newton, Illinois

In planning and performing our audit of the financial statements of the City of Newton, Illinois, as of and for the year ended April 30, 2023, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered the City's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. We previously reported on the City's internal control in our report dated November 2, 2023. This letter does not affect our report dated November 2, 2023, on the financial statements of the City of Newton.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various City 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 recommendations.

This communication is intended solely for the information and use of management, members of the finance committee, council members, and others within the entity, and is not intended to be, and should not be, used by anyone other than those specified parties.

Very truly yours,

A handwritten signature in blue ink that reads 'Kemper CPA Group LLP'.

KEMPER CPA GROUP LLP  
Certified Public Accountants and Consultants

November 2, 2023

**Current Year Comments:**

**Utility Funds**

Attached is a statistical analysis of the City's utility funds.

**Legal Debt Limitation**

Attached is an analysis of the City's legal debt limitation.

**City of Newton**  
**Electric Fund Statistical Analysis**  
**For the Years Ending April 30, 2023 & 2022**

	2023		2022		Change from Prior Year	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
<b>Customer Recap:</b>						
Average Customers Per Month	1,341	308	1,312	307	29	1
Highest Month	1,352	312	1,321	309	31	3
Lowest Month	1,308	306	1,305	304	3	2
<b>Average Billing Per Customer:</b>						
	Per Month	Per Year	Per Month	Per Year	Per Month	Per Year
Residential	\$ 93.48	\$ 1,122	\$ 94.31	\$ 1,132	\$ (1)	\$ (10)
Commercial	\$ 405.30	\$ 4,864	\$ 405.88	\$ 4,871	\$ (1)	\$ (7)
<b>Purchases vs. Billings:</b>						
	Quantity	% of Purchased	Quantity	% of Purchased	Quantity	% of Purchased
KW Hours Purchased	26,613,000	100.0%	26,378,000	100.0%	235,000	0.0%
KW Hours Billed	24,651,000	92.6%	24,759,000	93.9%	(108,000)	-1.2%
KW Hours Unbilled (City/Government/Security Light/Lost)	1,962,000	7.4%	1,619,000	6.1%	343,000	1.2%
<b>Billings Analysis:</b>						
	Billings	% of Billings	Billings	% of Billings	Billings	% of Billings
Residential	\$ 1,504,348	47.0%	\$ 1,484,800	47.5%	\$ 19,548	-0.4%
Commercial	\$ 1,497,976	46.8%	\$ 1,495,257	47.8%	\$ 2,719	-1.0%
City	\$ 82,085	2.6%	\$ 90,215	2.9%	\$ (8,130)	-0.3%
Security Light	\$ 1,209	0.0%	\$ 749	0.0%	\$ 460	0.0%
Purchase Cost Adjustment	\$ 34,536	1.1%	\$ (21,046)	-0.7%	\$ 55,581.78	1.8%
Tax	\$ 78,542	2.5%	\$ 78,770	2.5%	\$ (228)	-0.1%
Total	\$ 3,198,697	100.0%	\$ 3,128,745	100.0%	\$ 69,952	0.0%

**City of Newton**  
**Water Fund Statistical Analysis**  
**For the Years Ending April 30, 2023 & 2022**

	<u>2023</u>		<u>2022</u>		<u>Change from Prior Year</u>	
<b>Customer Recap:</b>						
Average Customers Per Month	1,537		1,538		(1)	
Highest Month	1,557		1,549		8	
Lowest Month	1,515		1,523		(8)	
<b>Average Billing Per Customer:</b>						
	<u>Per Month</u>	<u>Per Year</u>	<u>Per Month</u>	<u>Per Year</u>	<u>Per Month</u>	<u>Per Year</u>
Metered Sales	<u>\$ 38.63</u>	<u>\$ 464</u>	<u>\$ 37.35</u>	<u>\$ 448</u>	<u>\$ 1.29</u>	<u>\$ 15</u>
<b>Gallons Pumped vs. Billed:</b>						
	<u>Quantity</u>	<u>% of Pumped</u>	<u>Quantity</u>	<u>% of Pumped</u>	<u>Quantity</u>	<u>% of Pumped</u>
Gallons Pumped	97,119,000	100.0%	92,772,000	100.0%	4,347,000	4.7%
Gallons Billed - Metered Sales	90,474,864	93.2%	85,153,540	91.8%	5,321,324	5.7%
Fire Protection	394,560	0.4%	781,080	0.8%	(386,520)	-0.4%
Leak Adjustments	-	0.0%	-	0.0%	-	0.0%
St. Thomas	270,771	0.3%	292,118	0.3%	(21,347)	0.0%
Gallons Unaccounted For	<u>5,978,805</u>	<u>6.2%</u>	<u>6,545,262</u>	<u>7.1%</u>	<u>(566,457)</u>	<u>-0.6%</u>
<b>Billings Analysis:</b>						
	<u>Billings</u>	<u>% of Billings</u>	<u>Billings</u>	<u>% of Billings</u>	<u>Billings</u>	<u>% of Billings</u>
Metered Sales	<u>\$ 712,538</u>	<u>100.0%</u>	<u>\$ 689,240</u>	<u>100.0%</u>	<u>\$ 23,298</u>	<u>3.4%</u>
Total	<u>\$ 712,538</u>	<u>100.0%</u>	<u>\$ 689,240</u>	<u>100.0%</u>	<u>\$ 23,298</u>	<u>3.4%</u>

**City of Newton**  
**Waste Water Fund Statistical Analysis**  
**For the Years Ending April 30, 2023 & 2022**

	<u>2023</u>		<u>2022</u>		<u>Change from Prior Year</u>	
<b>Customer Recap:</b>						
Average Customers Per Month	1,363		1,367		(4)	
Highest Month	1,376		1,375		1	
Lowest Month	1,345		1,358		(13)	
<b>Average Billing Per Customer:</b>						
	<u>Per Month</u>	<u>Per Year</u>	<u>Per Month</u>	<u>Per Year</u>	<u>Per Month</u>	<u>Per Year</u>
Metered Sales	<u>\$ 42.44</u>	<u>\$ 509</u>	<u>\$ 41.22</u>	<u>\$ 495</u>	<u>\$ 1.22</u>	<u>\$ 15</u>
<b>Billings Analysis:</b>						
	<u>Billings</u>		<u>Billings</u>		<u>Billings</u>	
Metered Sales	<u>\$ 694,150</u>		<u>\$ 676,151</u>		<u>\$ 17,999</u>	

City of Newton  
Legal Debt Limitation Analysis  
April 30, 2023

Total assessed value	<u>\$ 29,145,393</u>
Legal debt margin:	
Debt limitation - 8.625% of total assessed value	<u>2,513,790</u>
Debt applicable to limitation:	
Waste Water - PSB Loan	<u>1,144,094</u>
Legal debt margin available	<u><u>\$ 1,369,696</u></u>
Actual debt percentage	<u><u>3.93%</u></u>

The City's indebtedness is limited to 8.625% of the value of the taxable property located within the City's boundaries. The revenue bonds are not included in the debt applicable to the limitation per 65 ILCS 5/8-5-16.