

**PLAINFIELD BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2016**

**PLAINFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

**AUDITORS MANAGEMENT REPORT ON ADMINISTRATIVE FINDINGS
- FINANCIAL, COMPLIANCE AND PERFORMANCE**

	<u>Page No.</u>
Report of Independent Auditors'	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-4
School Purchasing Programs	4
School Food Service	5
Student Body Activity	5
Application for State School Aid	6
Pupil Transportation	6
Facilities and Capital Assets	6
Suggestions to Management	7
Follow-up on Prior Year Findings	7
Schedule of Meal Count Activity	8
Schedule of Net Cash Resources – Food Service Fund	9
Schedule of Audited Enrollments	10-12
Excess Surplus Calculation	13
Encumbrance Reconciliation Schedules	14-15
Recommendations	16
Acknowledgment	17



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
ROBERT AMPONSAH, CPA

Honorable President and
Members of the Board of Trustees
Plainfield Board of Education
Plainfield, New Jersey

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 basic financial statements of the Plainfield Board of Education in the County of Union for the fiscal year ended June 30, 2016, and have issued our report thereon dated November 28, 2016.

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

This report is intended solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants

Gary W. Higgins
Public School Accountant
PSA Number CS00814

Fair Lawn, New Jersey
November 28, 2016

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator, 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

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the District's CAFR.

Official Bonds

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Gary Ottmann	Business Administrator	\$182,000
Yolanda D. Koon	Asst. Business Administrator	103,000

There is a policy for Public Employees Dishonesty with Faithful Performance with the New Jersey Schools Insurance Group covering all other employees with coverage of \$100,000.

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any discrepancies with respect to signatures and supporting documentation.

Payroll Account

The net salaries of all 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.

All payrolls were approved by the President of the Board, the Board Secretary/Business Administrator, and the Chief School Administrator.

Salary withholdings were promptly remitted to the proper agencies, including health benefits premium withholding due to general fund.

Payrolls were delivered to the Secretary of the Board who then deposited with warrants in separate bank accounts for net payroll and withholdings.

The Board has implemented and maintains a personnel tracking and accounting (Position Control) system.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Financial Planning, Accounting and Reporting (Continued)

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) 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 specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-2.4. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in good condition.

Finding – Our audit revealed that there exists certain old outstanding checks on District bank reconciliations.

Recommendation – Old outstanding checks on District bank reconciliations be reviewed and cleared of record.

Bids received were summarized in the minutes (N.J.S.A.18A:18A-21).

Acknowledgment of the Board's receipt of the Board Secretary's monthly financial reports was included in the minutes.

The prescribed contractual order system was followed.

The Chief School Administrator did perform cash reconciliations for the general operating account, payroll account and payroll agency account (N.J.S.A. 18A:17-36).

The Chief School Administrator's records were in agreement with the records of the Board Secretary.

Unemployment Compensation Insurance Trust Fund

The Board had adopted the direct reimbursement method and has established an Unemployment Compensation Insurance Trust Fund. The financial transactions of this fund are reported in the Expendable Trust Fund.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's Schools Act (IASA) as Reauthorized by the No Child Left Behind Act of 2001

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

Our examination of the ESEA/NCLB 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.

Other Special Federal and/or State Projects

The District's Special Projects were approved as listed on Exhibits K-3 and K-4 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.

The financial exhibits contained herein represent a true statement of the financial position pertaining to the aforementioned special projects.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Financial Planning, Accounting and Reporting (Continued)

T.P.A.F. Reimbursements

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

The reimbursement to the State for the amount of the expenditure charged to the current year's Final Report for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made subsequent to the end of the 90 day grant liquidation period required by the Office of Grants Management.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

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.

Pursuant to N.J.S.A. 18A:18A-3, a board of education may increase the bid threshold to \$40,000 if the District employs a Qualified Purchasing Agent. The District's School Administrator is qualified pursuant to subsection b of section 9 of P.L. 1971, c. 198 (c.40A:11-9) and the board of education has increased the bid threshold to \$40,000.

The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800.

The District 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 Solicitor'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 goods or service, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts, or agreements were made 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.

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. Our examination did reveal that purchases were made through the use of State contracts and cooperative agreements.

Finding – A Political Contribution Disclosure Form was not on file and available for audit for certain vendors requiring such documentation.

Recommendation – Political Contribution Disclosure Forms be obtained from vendors and maintained on file.

Finding – The audit of expenditures indicated invoices and proposals did not include the unit cost and quantities for a vendor awarded a contract for a bid for asphalt repair and replacement.

Recommendation – Invoices and proposals include the unit cost and quantities for purchases made pursuant to a bid award for asphalt repair and replacement.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

School Food Service

The financial transactions and statistical records of the School Food Services were reviewed. The financial accounts, meal count records and eligibility applications were reviewed on a test-check basis.

Cash receipts and bank records were reviewed for timely deposit.

The District has contracted with Sodexo Management, Inc. as its food service management company (FSMC) and is depositing and expending program monies in accordance with N.J.S.A. 18A:17-34, and 19-1 through 19-4.1. Provisions of the FSMC contract/addendum were reviewed and audited. The FSMC contract includes an operating results provision which guarantees that the food service program will return a profit of at least \$250,000. The operating results provision has been met.

As part of the claims review process the Edit Check Worksheet was completed. Reimbursement vouchers were timely filed and no exceptions were noted between meals claimed and meal count records.

Applications for free and reduced price meals were reviewed for completeness and accuracy. The number of free and reduced price meals claimed as served was compared to the number of valid applications and/or to the list of certified students on file, times the number of operating days. The free and reduced price meal policy is uniformly administered throughout the School System. The required verification procedures for free and reduced price applications was completed timely and available for review.

Expenditures were separately recorded as food, labor and other costs. Vendor invoices were reviewed and costs verified. Inventory records on food supply items were currently maintained and properly applied in determining the cost of food and supplies used.

The cash disbursements records reflected expenditures for program related goods and services. The appropriate revenue and expenditure records were maintained in order to substantiate the non-profit status of the school food service. Net cash resources did not exceed three months average expenditures.

Food Distribution Program commodities were received and a separate inventory was maintained on a first-in, first-out basis.

Exhibits reflecting Child Nutrition Program Operations are included in the section entitled Enterprise Funds.

Student Body Activity

The Board has a policy which clearly established the regulation of student activity funds.

Finding - Withdrawal authorization forms were not utilized for payments from the Athletic and Maxson School bank accounts.

Recommendation -Withdrawal authorization forms be utilized for payments made from the Athletic and Maxson School bank accounts.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2015 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the handicapped, low-income and bilingual. 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 immaterial exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate written procedures for the recording of student enrollment data.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2015-2016 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exceptions. The results of our procedures are presented in the Schedule of Audited Enrollments which includes the following exceptions.

Finding – Our audit of the DRTRS revealed the following:

- Two (2) special education students moved out of the District before October 15, and should not have been reported.
- Five (5) special education students were declassified and should have been reported as regular education students.
- Twenty-seven (27) IEP's for special education students with special needs did not indicate transportation as a related service.

Recommendation – Internal controls over DRTRS reporting be reviewed and enhanced.

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 School Development Authority (SDA) grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction.

Since the District is classified as a School Based Budget District, certain SDA grant activity was conducted by the State on behalf of the Board.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Suggestions to Management

- Interfunds be cleared of record as of June 30.
- Two signatures always be obtained on checks issued from the student activity accounts.

Follow-up on Prior Year Findings

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action was taken on all prior year findings.

**PLAINFIELD BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Program</u>	<u>Meals Category</u>	<u>Meals Claimed</u>	<u>Meals Tested</u>	<u>Meals Verified</u>	<u>Difference</u>	<u>Rate</u>	<u>Under (Over) Claim</u>
National School Lunch (High Rate)	Paid	102,652	36,796	36,796	-	\$ 0.31	-
	Reduced	62,303	22,592	22,592	-	2.37	-
	Free	<u>811,747</u>	<u>297,098</u>	<u>297,098</u>	<u>-</u>	3.09	<u>-</u>
	Total Lunch	<u>976,702</u>	<u>356,486</u>	<u>356,486</u>	<u>-</u>		<u>-</u>
National School Lunch	HHFKA-PB Lunch Only	<u>976,702</u>	<u>356,486</u>	<u>356,486</u>	<u>-</u>	0.06	<u>-</u>
School Breakfast (Severe Needs Rate)	Paid	120,234	45,415	45,415	-	0.29	-
	Reduced	59,109	22,035	22,035	-	1.69	-
	Free	<u>710,648</u>	<u>268,666</u>	<u>268,666</u>	<u>-</u>	1.99	<u>-</u>
	Total Breakfast	<u>889,991</u>	<u>336,116</u>	<u>336,116</u>	<u>-</u>		<u>-</u>
School Snacks (At Risk/Area Eligible)	Paid						
	Reduced						
	Free	<u>76,402</u>	<u>28,513</u>	<u>28,513</u>	<u>-</u>	0.84	<u>\$ -</u>
	Total Snacks	<u>76,402</u>	<u>28,513</u>	<u>28,513</u>	<u>-</u>		<u>-</u>
		<u>2,919,797</u>	<u>1,077,601</u>	<u>1,077,601</u>	<u>-</u>		<u>\$ -</u>

**PLAINFIELD BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Current Assets

Cash and Cash Equivalents	\$ 1,253,913
Due from Other Governments	264,856
Accounts Receivable	119,661

Current Liabilities

Due to Other Funds	(61,865)
Accounts Payable	<u>(362,372)</u>

Net Cash Resources \$ 1,214,193

Adjusted Total Operating Expense:

Total Operating Expenses	\$ 5,119,892
Less Depreciation	<u>(52,801)</u>

Adjusted Total Operating Expense \$ 5,067,091

Average Monthly Operating Expense:

\$ 506,709

Three Times Monthly Average:

\$ 1,520,127

Total Net Cash Resources	\$ 1,214,193
Three Times Monthly Average	<u>1,520,127</u>

Excess(Deficit) Cash Resources \$ (305,934)

PLAINFIELD BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2015

	2016-2017 Application for State School Aid						Sample for Verification						On Roll - Special Education			Private Schools for Disabled				
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Register On Roll		Errors per Registers On Roll		Sample for Verifi- cation	Sample Verified	Sample Errors	Reported on A.S.S.A. as Private Schools	Reported on Workpapers Private Schools	Sample for Verifi- cation	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared								
Half Day Preschool - 3 years	6	-	6	-	-	-	6	-	6	-	-	-								
Half Day Preschool - 4 years	7	-	7	-	-	-	7	-	7	-	-	-								
Half Day Kindergarten																				
Full Day Kindergarten	657	-	657	-	-	-	65	-	65	-	-	-								
1st Grade	672	-	672	-	-	-	79	-	79	-	-	-								
2nd Grade	678	-	678	-	-	-	57	-	57	-	-	-								
3rd Grade	660	-	660	-	-	-	37	-	37	-	-	-								
4th Grade	607	-	607	-	-	-	80	-	80	-	-	-								
5th Grade	545	-	545	-	-	-	69	-	69	-	-	-								
6th Grade	404	-	404	-	-	-	186	-	186	-	-	-								
7th Grade	442	-	442	-	-	-	206	-	206	-	-	-								
8th Grade	413	-	413	-	-	-	9	-	9	-	-	-								
9th Grade	434	-	434	-	-	-	58	-	58	-	-	-								
10th Grade	455	-	455	-	-	-	368	-	368	-	-	-								
11th Grade	399	7	399	7	-	-	318	7	318	7	-	-								
12th Grade	381	23	381	23	-	-	302	23	302	23	-	-								
Subtotal	6,760	30	6,760	30	-	-	1,847	30	1,847	30	-	-	-	-	-	-	-	-	-	-
Spec Ed - Elementary	481	-	481	-	-	-	84	-	84	-	-	-	34	34	-	26	26	20	20	-
Spec Ed - Middle School	254	-	254	-	-	-	108	-	108	-	-	-	18	18	-	10	10	8	8	-
Spec Ed - High School	230	-	230	-	-	-	227	30	227	30	-	-	16	16	-	27	27	20	20	-
Subtotal	965	-	965	-	-	-	419	30	419	30	-	-	68	68	-	63	63	48	48	-
Totals	7,725	30	7,725	30	-	-	2,266	60	2,266	60	-	-	68	68	-	63	63	48	48	-
Percentage Error					<u>0.00%</u>						<u>0.00%</u>				<u>0.00%</u>					<u>0.00%</u>

PLAINFIELD BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2015

	Resident Low Income			Sample for Verification			Resident LEP Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre-School (3 Yrs)			-			-			-			-
Half Day Pre-School (4 Yrs)			-			-			-			-
Half Day Kindergarten			-			-			-			-
Full Day Kindergarten	700.0	700.0	-	11.0	11.0	-	370	370	-	11	11	-
1st Grade	691.0	691.0	-	12.0	12.0	-	372	372	-	11	11	-
2nd Grade	693.0	693.0	-	12.0	12.0	-	355	355	-	10	10	-
3rd Grade	625.0	626.0	(1.0)	10.0	10.0	-	314	314	-	9	9	-
4th Grade	576.0	576.0	-	11.0	11.0	-	118	118	-	3	3	-
5th Grade	577.0	577.0	-	10.0	10.0	-	64	64	-	2	2	-
6th Grade	447.0	447.0	-	8.0	8.0	-	42	42	-	1	1	-
7th Grade	417.0	417.0	-	9.0	9.0	-	63	63	-	2	2	-
8th Grade	392.0	392.0	-	7.0	7.0	-	73	73	-	2	2	-
9th Grade	430.0	430.0	-	9.0	9.0	-	115	115	-	3	3	-
10th Grade	407.0	407.0	-	7.0	7.0	-	133	133	-	4	4	-
11th Grade	395.5	395.5	-	7.0	7.0	-	89	89	-	3	3	-
12th Grade	363.5	363.5	-	6.0	6.0	-	87	87	-	3	3	-
Subtotal	6,714.0	6,715.0	(1.0)	119	119	-	2,195	2,195	-	64	64	-
Spec Ed - Elementary	540.0	540.0	-	9	9	-	154	154	-	5	5	-
Spec Ed - Middle School	255.0	255.0	-	4	4	-	11	11	-	1	1	-
Spec Ed - High School	271.5	272.0	(0.5)	4	4	-	4	4	-	1	1	-
Co. Voc. Reg.	0.5	0.5	-	-	-	-	-	-	-	-	-	-
Subtotal	1,067.0	1,067.5	(0.5)	17	17	-	169	169	-	7	7	-
Totals	7,781.0	7,782.5	(1.5)	136	136	-	2,364	2,364	-	71	71	-
Percentage Error			<u>-0.02%</u>			<u>0.00%</u>			<u>0.00%</u>			<u>0.00%</u>

Transportation						
	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Regular - Public Schools	854.0	854.0	-	122.0	122.0	-
Transported - Non-Public	298.0	298.0	-	42.0	42.0	-
AIL - Non-Public	194.0	194.0	-	28.0	28.0	-
Regular - Spec.	480.0	480.0	-	68.0	41.0	27
Special Needs - Public	169.0	169.0	-	24.0	17.0	7
Totals	1,995.0	1,995.0	-	284.0	250.0	34
			<u>0.00%</u>			<u>11.97%</u>

**PLAINFIELD BOARD OF EDUCATION
A.S.S.A.
SCHEDULE OF AUDITED ENROLLMENTS
OCTOBER 15, 2015**

	Resident LEP Not Low Income			Sample for Verification		
	Reported on A.S.S.A as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Register	Sample Errors
Half Day Pre-School (3 Yrs)	-	-	-	-	-	-
Half Day Pre-School (4 Yrs)	-	-	-	-	-	-
Half Day Kindergarten	-	-	-	-	-	-
Full Day Kindergarten	22	22	-	6	6	-
1st Grade	11	11	-	3	3	-
2nd Grade	12	12	-	3	3	-
3rd Grade	17	17	-	5	5	-
4th Grade	5	5	-	1	1	-
5th Grade	10	10	-	3	3	-
6th Grade	2	2	-	1	1	-
7th Grade	6	6	-	1	1	-
8th Grade	4	4	-	1	1	-
9th Grade	36	36	-	10	10	-
10th Grade	35	35	-	9	9	-
11th Grade	20	20	-	5	5	-
12th Grade	16	16	-	4	4	-
Subtotal	196	196	-	52	52	-
Spec Ed - Elementary	10	10	-	2	2	-
Spec Ed - Middle School	-	-	-	-	-	-
Spec Ed - High School	1	1	-	1	1	-
Subtotal	11	11	-	3	3	-
Totals	207	207	-	55	55	-
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**PLAINFIELD BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Section 1

Calculation A: 2% Excess Surplus:

All districts required to use school-based budgeting are required to complete this calculation using 2%.

2015-2016 Total General Fund Expenditures reported on Exhibit C-1	\$ 167,041,636
Add: Transfer from General Fund to Special Revenue Fund for Preschool - Regular	687,939
Less: Expenditures allocated to restricted federal sources as reported on Exhibit D-2	(1,703,769)
2015-2016 Adjusted General Fund & Other State Expenditures	166,025,806
Decreased by:	
On-Behalf TPAF Pension & Social Security	(13,644,298)
2015-2016 General Fund Expenditures	\$ 152,381,508
2% of Adjusted 2015-2016 General Fund Expenditures (or \$250,000)	\$ 3,047,630
Increased by: Allowable Adjustment - Additional Nonpublic Transportation Aid	46,530
Allowable Adjustment - Extraordinary Aid (Excess of Budgeted Amount)	205,015
Maximum Unassigned Fund Balance	\$ 3,299,175

SECTION 2

Total General Fund - Fund Balances at June 30, 2016 (Per CAFR Budgetary Comparison schedule/statement)	\$ 25,560,917
Decreased by:	
Capital Reserve	\$ 4,000,000
Capital Reserve - Designated for Subsequent Year's Expenditures	7,000,000
Maintenance Reserve	3,000,000
Assigned - Year End Encumbrances	757,692
Assigned - Insurance Recoveries	984,651
Assigned - ARRA/SEMI Designated for Subsequent Year's Expenditures	118,769
Assigned - Designated for Subsequent Year's Expenditures	5,010,984
	20,872,096
Total Unassigned Fund Balance	\$ 4,688,821

SECTION 3

Fund Balance - Excess Surplus	\$ 1,389,646
<u>Recapitulation of Excess Surplus as of June 30, 2016</u>	
Excess Surplus	\$ 1,389,646
	\$ 1,389,646

**PLAINFIELD BOARD OF EDUCATION
ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

General Fund (Funds 11, 12, 13)

Encumbrances per the June 30, 2016 Board Secretary Report \$ 716,476

<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Cancelled Through Audit Adjustments</u>
Regular Instruction			
Special Education Instruction			
Other Instruction			
Student Support Services			
General Administration	\$ 10,680	\$ 10,680	
Central Services	131,934	131,934	
Plant Operations and Maintenance	293,420	293,420	
Transportation			
Capital Outlay	<u>280,442</u>	<u>280,442</u>	<u>-</u>
	<u>\$ 716,476</u>	<u>\$ 716,476</u>	<u>\$ -</u>

Total Encumbrances Created During the Audit -

Assigned Fund Balance - Year End Encumbrances in the CAFR - June 30, 2016 \$ 716,476

Blended Resource Fund (Fund 15)

Encumbrances per the June 30, 2016 Board Secretary Report 41,216

<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Cancelled Through Audit Adjustments</u>
Regular Instruction	\$ 9,910	\$ 9,910	
Special Education Instruction			
Other Instruction			
Student Support Services	6,066	6,066	
School Administration	1,458	1,458	
Transportation			
Capital Outlay	<u>23,782</u>	<u>23,782</u>	<u>-</u>
	<u>\$ 41,216</u>	<u>\$ 41,216</u>	<u>\$ -</u>

Total Encumbrances Created During the Audit -

Assigned Fund Balance - Year End Encumbrances in the CAFR - June 30, 2016 41,216

Grand Total \$ 757,692

**PLAINFIELD BOARD OF EDUCATION
ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Special Revenue Fund (Fund 20)

Encumbrances per the June 30, 2016 Board Secretary Report \$ 32,932

<u>Description</u>	<u>Total by Category</u>	<u>Amount Properly Encumbered</u>	<u>Encumbrances Cancelled Through Audit Adjustments</u>
Regular Instruction			
Special Education Instruction	\$ 1,318	\$ 1,318	
Other Instruction	31,614	31,614	
Student Support Services			
Transportation			
Capital Outlay	<u>-</u>	<u>-</u>	<u>\$ -</u>
	<u>\$ 32,932</u>	<u>\$ 32,932</u>	<u>\$ -</u>

Total Encumbrances Reclassified During the Audit -

Assigned Fund Balance - Year End Encumbrances in the CAFR - June 30, 2016 \$ 32,932

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. Old outstanding checks on District bank reconciliations be reviewed and cleared of record.
2. Political Contribution Disclosure Forms be obtained from vendors and maintained on file as required.

III. School Purchasing Program

It is recommended that invoices and proposals include the unit cost and quantities for purchases made pursuant to a bid award for asphalt repair and replacement.

IV. School Food Service

There are none.

V. Student Body Activities

It is recommended that withdrawal authorization forms be utilized for payments made from the Athletic and Maxson bank accounts.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

It is recommended that internal controls over the DRTRS reporting be reviewed and enhanced.

VIII. Facilities and Capital Assets

There are none.

IX. Miscellaneous

There are none.

Status of Prior Years' Audit Findings/Recommendations

Corrective action was taken on all prior year audit findings/recommendations.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ACKNOWLEDGMENT

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP



Gary W. Higgins
Public School Accountant
Certified Public Accountant