

**PLAINFIELD BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2018**

**PLAINFIELD BOARD OF EDUCATION
TABLE OF CONTENTS**

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

	<u>Page No.</u>
Auditor's Management Report	1
Scope of Audit	2
Administrative Practices and Procedures	2
Financial Planning, Accounting and Reporting	2-4
School Purchasing Programs	4-5
School Food Service	5-6
Student Body Activity	6
Application for State School Aid	6
Pupil Transportation	7
Facilities and Capital Assets	7
Testing for Lead of all Drinking Water in Educational Facilities	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	16-17
Acknowledgment	17



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AUDITOR'S MANAGEMENT REPORT

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 for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 23, 2019.

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
January 23, 2019

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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/Acting Board Secretary	103,000

There is a policy for Public Employee 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 by wire transfers in separate bank accounts for net payroll and withholdings.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators to the New Jersey Department of Treasury was filed by the March 15 due date.

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.

Travel

The District has an approved Board travel policy as required by N.J.A.C. 6A-6.13 and N.J.S.A. 18A:11-12. No exceptions were noted pertaining to travel expense payments total.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 – One General Fund budget appropriation was overexpended at June 30, 2018 as a result of an incorrect appropriation of the prior year excess extraordinary aid amount of \$108,705. This was considered an isolated and unintentional error therefore no recommendation is warranted.

Finding – The audit revealed the original budget included in the District's appropriation report for the General Fund was not in agreement with the adopted budget as a result of including Board approved appropriations of additional state aid.

Recommendation – The original budget included in the District's appropriation report be in agreement with the adopted budget.

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.) as amended by the Every Student Succeeds Act (ESSA)

The E.S.E.A./ESSA 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, III and IV of the Elementary and Secondary Education Act as amended and reauthorized.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Financial Planning, Accounting and Reporting (Continued)

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

Our examination of the ESEA/ESSA 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.

Finding – The audit of the ESEA Title I program indicated that the entire salary of two employees was allocated to the program for each pay in 2017/18, however the actual percentage per the governing body resolution that was to be allocated to the program was fifty percent for each employee. The District adjusted the excess charged by journal entries to reflect the approved percentages.

Recommendation – The allocation of salaries of all employees charged to the ESEA Title I grant program be made in accordance with approved percentages on a per pay basis.

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.

Finding – The audit of the Preschool Education Aid indicated that the actual carryover as of June 30, 2018 of \$1,969,785 is less than the 2018/2019 budgeted carryover of \$2,023,437. No recommendation is warranted since the 2018/2019 budget has been adjusted based on the actual carryover amount.

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 prior to the end of the 90 day grant liquidation period required by the Office of Grants Management.

The expenditure was reviewed subsequent to the reimbursement and no exceptions were noted.

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 \$19,000.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 - The audit of vendors awarded bids pursuant to the Local Public Contracts Law indicated a bid for plumbing supplies did not include all types of goods actually purchased by the District.

Recommendation – All bids be inclusive of all related types of goods to be purchased by the District.

Finding – The audit of purchases disclosed one vendor awarded under a national cooperative contract where the procedures required under State procurement guidelines for National Co-op contract purchases was not followed by the District.

Recommendation – Purchases made under National Cooperative contracts be made in accordance with State procurement guidelines.

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 Aramark Educational Services, LLC 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 \$660,086. The operating results provision was not met and the FSMC provided a subsidy after adjustments to the District of \$24,175. All vendor discounts, rebates and credits from vendors and/or the FSMC were tracked and credited to the Food Service account and reconciled to supporting documentation at least annually.

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 were completed timely and available for review.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

School Food Service (continued)

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 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 – Our audit indicated certain subaccounts in the High School Activity account were in a deficit position as of June 30, 2018. Additionally, the Maxson Middle School Activity account was in an overdraft position at year end.

Recommendation – Deficits in certain subaccounts in the High School Activity account and the cash overdraft at Maxson Middle School be eliminated.

Finding – The audit of the High School activity account indicated that the District did not maintain a roster by student for the 2018 senior fees.

Recommendation – A detail roster by student be maintained and reconciled to bank deposits for student senior fees collected.

Finding – Our audit of the High School activity account noted a significant number of checks where reimbursements to an individual and certain payments lacked supporting documentation.

Recommendation – It is recommended that efforts be made to limit reimbursements paid to individuals and documentation be retained for all cash disbursements.

Application for State School Aid

Our audit procedures included a test of information reported in the October 13, 2017 Application for State School Aid (A.S.S.A.) for on-roll, private schools for the 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.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report. The results of our procedures are presented in the Schedule of Audited Enrollments with immaterial exceptions.

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.

The District maintained detailed capital assets financial records.

Testing for Lead of all Drinking Water in Educational Facilities

The school district adhered to all requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

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 except those denoted with an asterisk on the summary of recommendations.

Suggestions to Management

- Continued efforts be made to reconcile and approve differences between the Food Service Fund daily point of sales reports to actual bank deposits.
- The game summary report utilized for athletic events be modified to properly prove to actual bank deposits.

**PLAINFIELD BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<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	145,733	52,502	52,502	-	\$ 0.33	-
	Reduced	59,408	21,450	21,450	-	2.85	-
	Free	<u>736,119</u>	<u>268,350</u>	<u>268,350</u>	-	3.25	-
	Total Lunch	<u>941,260</u>	<u>342,302</u>	<u>342,302</u>	-		-
National School Lunch	HHFKA-PB Lunch Only	<u>941,260</u>	<u>342,302</u>	<u>342,302</u>	-	0.06	-
	School Breakfast (Severe Needs Rate)	Paid	52,628	19,080	19,080	-	0.30
	Reduced	18,615	6,727	6,727	-	1.79	-
	Free	<u>252,218</u>	<u>89,160</u>	<u>89,160</u>	-	2.09	-
	Total Breakfast	<u>323,461</u>	<u>114,967</u>	<u>114,967</u>	-		-
School Snacks (At Risk/Area Eligible)	Paid						
	Reduced						
	Free	<u>61,382</u>	<u>21,619</u>	<u>21,619</u>	-	0.88	\$ -
	Total Snacks	<u>61,382</u>	<u>21,619</u>	<u>21,619</u>	-		-
		<u>2,267,363</u>	<u>821,190</u>	<u>821,190</u>	-		\$ -

**PLAINFIELD BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Current Assets	
Cash and Cash Equivalents	\$ 1,012,894
Due from Other Governments	266,480
Accounts Receivable	64,019
Current Liabilities	
Accounts Payable	<u>(21,980)</u>
Net Cash Resources	<u>\$ 1,321,413</u>
<u>Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 4,470,996
Less Depreciation	<u>(52,016)</u>
Adjusted Total Operating Expense	<u>\$ 4,418,980</u>
<u>Average Monthly Operating Expense:</u>	<u>\$ 441,898</u>
<u>Three Times Monthly Average:</u>	<u>\$ 1,325,694</u>
Total Net Cash Resources	\$ 1,321,413
Three Times Monthly Average	<u>1,325,694</u>
Excess(Deficit) Cash Resources	<u>\$ (4,281)</u>

**PLAINFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017
SCHEDULE OF AUDITED ENROLLMENTS**

	2018-19 Application for State School Aid						Sample for Verification						Private Schools for Disabled			
	Reported on A.S.S.A. On Roll		Reported on Workpapers On Roll		Errors		Sample Selected from Workpapers		Verified per Registers On Roll		Errors per Registers On Roll		Reported on A.S.S.A. as 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 - 4yr																
Full Day Preschool - 3yr	7.0	-	7.0	-				7.0	-	7.0	-					
Full Day Preschool - 4yr	7.0	-	7.0	-				7.0	-	7.0	-					
Half Day Kindergarten	-	-	-	-				-	-	-	-					
Full Day Kindergarten	565.0	-	565.0	-	-	-		68.0	-	68.0	-	-				
One	528.0	-	528.0	-	-	-		62.0	-	62.0	-	-				
Two	634.0	-	634.0	-	-	-		59.0	-	59.0	-	-				
Three	621.0	-	621.0	-	-	-		33.0	-	33.0	-	-				
Four	568.0	-	568.0	-	-	-		50.0	-	50.0	-	-				
Five	545.0	-	545.0	-	-	-		107.0	-	107.0	-	-				
Six	476.0	-	476.0	-	-	-		244.0	-	244.0	-	-				
Seven	486.0	-	486.0	-	-	-		210.0	-	210.0	-	-				
Eight	467.0	-	467.0	-	-	-		66.0	-	66.0	-	-				
Nine	400.0	-	400.0	-	-	-		315.0	-	315.0	-	-				
Ten	505.0	3.0	505.0	3.0	-	-		437.0	3.0	437.0	3.0	-				
Eleven	465.0	17.0	465.0	17.0	-	-		389.0	17.0	389.0	17.0	-				
Twelve	416.0	11.0	416.0	11.0	-	-		323.0	11.0	323.0	11.0	-				
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	<u>6,690.0</u>	<u>31.0</u>	<u>6,690.0</u>	<u>31.0</u>	<u>-</u>	<u>-</u>		<u>2,377.0</u>	<u>31.0</u>	<u>2,377.0</u>	<u>31.0</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Ed - Elementary	559.0	-	559.0	-	-	-		34.0	-	34.0	-	-	28.0	10.0	10.0	-
Special Ed - Middle School	301.0	-	301.0	-	-	-		19.0	-	19.0	-	-	7.0	3.0	3.0	-
Special Ed - High School	257.0	27.0	258.0	27.0	(1.0)	-		11.0	5.0	11.0	4.0	-	29.0	11.0	11.0	-
Subtotal	<u>1,117.0</u>	<u>27.0</u>	<u>1,118.0</u>	<u>27.0</u>	<u>(1.0)</u>	<u>-</u>		<u>64.0</u>	<u>5.0</u>	<u>64.0</u>	<u>4.0</u>	<u>-</u>	<u>64.0</u>	<u>24.0</u>	<u>24.0</u>	<u>-</u>
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	<u>7,807.0</u>	<u>58.0</u>	<u>7,808.0</u>	<u>58.0</u>	<u>(1.0)</u>	<u>-</u>		<u>2,441.0</u>	<u>36.0</u>	<u>2,441.0</u>	<u>35.0</u>	<u>-</u>	<u>1.0</u>	<u>64.0</u>	<u>24.0</u>	<u>24.0</u>
Percentage Error					<u>-0.01%</u>	<u>0.00%</u>						<u>0.00%</u>	<u>2.78%</u>			<u>0.00%</u>

**PLAINFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017
SCHEDULE OF AUDITED ENROLLMENTS**

	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 LEP low Income	Reported on Workpapers as LEP low Income	Errors	Sample Selected from Workpapers	Verified to Test Score and Register	Sample Errors
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	631.0	631.0	-	9.0	9.0	-	310.0	310.0	-	8.0	8.0	-
One	627.0	627.0	-	9.0	9.0	-	312.0	312.0	-	8.0	8.0	-
Two	676.0	676.0	-	9.0	8.0	1	390.0	390.0	-	10.0	10.0	-
Three	665.0	665.0	-	9.0	9.0	-	358.0	358.0	-	9.0	9.0	-
Four	593.0	593.0	-	8.0	7.0	1	241.0	241.0	-	6.0	6.0	-
Five	543.0	543.0	-	8.0	8.0	-	135.0	135.0	-	3.0	3.0	-
Six	514.0	514.0	-	7.0	7.0	-	94.0	94.0	-	2.0	2.0	-
Seven	529.0	529.0	-	7.0	7.0	-	77.0	77.0	-	2.0	2.0	-
Eight	458.0	458.0	-	6.0	6.0	-	88.0	88.0	-	2.0	2.0	-
Nine	391.0	391.0	-	6.0	6.0	-	109.0	109.0	-	2.0	2.0	-
Ten	467.5	467.5	-	7.0	7.0	-	194.0	194.0	-	5.0	5.0	-
Eleven	436.5	436.5	-	6.0	6.0	-	163.5	163.5	-	4.0	4.0	-
Twelve	356.0	356.0	-	5.0	4.0	1	126.0	126.0	-	3.0	3.0	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	6,887.0	6,887.0	-	96.0	93.0	3	2,597.5	2,597.5	-	64.0	64.0	-
Special Ed - Elementary	651.0	651.0	-	9.0	9.0	-	191.0	191.0	-	5.0	5.0	-
Special Ed - Middle	308.0	308.0	-	4.0	4.0	-	24.0	24.0	-	1.0	1.0	-
Special Ed - High	271.5	271.5	-	4.0	4.0	-	7.0	7.0	-	1.0	1.0	-
Subtotal	1,230.5	1,230.5	-	17.0	17.0	-	222.0	222.0	-	7.0	7.0	-
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	8,117.5	8,117.5	-	113.0	110.0	3	2,819.5	2,819.5	-	71.0	71.0	-
Percentage Error			0.00%			2.65%			0.00%			0.00%

	Transportation					
	Reported on DRTRS by DOE/county	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. - Public Schools, col. 1	778.0	778.0	-	91.0	91.0	-
Reg -SpEd, col. 4	281.0	281.0	-	24.0	24.0	-
Transported - Non-Public, col. 3	146.0	146.0	-	17.0	17.0	-
Special Ed Spec, col. 6	349.0	349.0	-	74.0	72.0	2.0
Totals	1,554.0	1,554.0	-	206.0	204.0	2.0
Percentage Error					0.97%	

**PLAINFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 13, 2017
SCHEDULE OF AUDITED ENROLLMENTS**

	<u>Resident LEP NOT Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as NOT Low Income</u>	<u>Reported on Workpapers as NOT Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>
Half Day Preschool						
Full Day Preschool						
Half Day Kindergarten						
Full Day Kindergarten	51.0	51.0	-	9.0	9.0	-
One	19.0	19.0	-	3.0	3.0	-
Two	20.0	20.0	-	4.0	4.0	-
Three	12.0	12.0	-	2.0	2.0	-
Four	9.0	9.0	-	2.0	2.0	-
Five	19.0	19.0	-	3.0	3.0	-
Six	13.0	13.0	-	2.0	2.0	-
Seven	7.0	7.0	-	1.0	1.0	-
Eight	14.0	14.0	-	3.0	3.0	-
Nine	26.0	26.0	-	5.0	5.0	-
Ten	53.0	53.0	-	10.0	10.0	-
Eleven	41.0	41.0	-	8.0	8.0	-
Twelve	23.0	23.0	-	4.0	4.0	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>307</u>	<u>307</u>	<u>-</u>	<u>56</u>	<u>56</u>	<u>-</u>
Special Ed - Elementary	10.0	10.0	-	2.0	2.0	-
Special Ed - Middle	4.0	4.0	-	1.0	1.0	-
Special Ed - High	1.0	1.0	-	1.0	1.0	-
Subtotal	<u>15</u>	<u>15</u>	<u>-</u>	<u>4</u>	<u>4</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>322</u>	<u>322</u>	<u>-</u>	<u>60</u>	<u>60</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.00%</u>

**PLAINFIELD BOARD OF EDUCATION
EXCESS SURPLUS CALCULATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Section 1

Calculation A: 2% Excess Surplus:

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

2017-2018 Total General Fund Expenditures reported on Exhibit C-1	\$ 176,215,275
Add: Transfer from General Fund to Special Revenue Fund for Preschool - Regular	1,141,686
Less: Expenditures allocated to restricted federal sources as reported on Exhibit D-2	(1,197,572)
2017-2018 Adjusted General Fund & Other State Expenditures	176,159,389
Decreased by:	
On-Behalf TPAF Pension & Social Security	(17,688,327)
2017-2018 General Fund Expenditures	\$ 158,471,062
2% of Adjusted 2017-2018 General Fund Expenditures (or \$250,000)	\$ 3,169,421
Increased by: Allowable Adjustment - Additional Nonpublic Transportation Aid	95,903
Allowable Adjustment - Extraordinary Aid (Excess of Budgeted Amount)	544,810
Maximum Unassigned Fund Balance	\$ 3,810,134

SECTION 2

Total General Fund - Fund Balances at June 30, 2018 (Per CAFR Budgetary Comparison schedule/statement)	\$ 18,791,162
Decreased by:	
Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 498,499
Capital Reserve	350,074
Capital Reserve - Designated for Subsequent Year's Expenditures	6,001,000
Maintenance Reserve	1,041,336
Maintenance Reserve - Designated for Subsequent Year's Expenditures	1,000,000
Committed - Year End Encumbrances	1,265,925
Assigned - Year End Encumbrances	680,957
Assigned - Designated for Subsequent Year's Expenditures	3,139,724
	13,977,515
Total Unassigned Fund Balance	\$ 4,813,647

SECTION 3

<i>Fund Balance - Excess Surplus</i>	\$ 1,003,513
<u>Recapitulation of Excess Surplus as of June 30, 2018</u>	
Excess Surplus	\$ 1,003,513
Excess Surplus - Designated for Subsequent Year's Expenditures	498,499
	\$ 1,502,012

**PLAINFIELD BOARD OF EDUCATION
ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

General Fund (Funds 11, 12, 13)

Encumbrances per the June 30, 2018 Board Secretary Report \$ 2,057,035

<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	\$ 505,873	\$ 505,873	
Central Services	457	457	
Plant Operations and Maintenance	149,482	149,482	
Transportation			
Capital Outlay	<u>1,401,223</u>	<u>1,265,925</u>	<u>135,298</u>
	<u>\$ 2,057,035</u>	<u>\$ 1,921,737</u>	<u>\$ 135,298</u>

Total Encumbrances Cancelled During the Audit 135,298

Committed Fund Balance - Year End Encumbrances in the CAFR - June 30, 2018 1,265,925

Assigned Fund Balance - Year End Encumbrances in the CAFR - June 30, 2018 655,812

\$ 1,921,737

Blended Resource Fund (Fund 15)

Encumbrances per the June 30, 2018 Board Secretary Report \$ 25,145

<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	\$ 5,756	\$ 5,756	
Other Instruction			
Student Support Services			
School Administration			
Transportation			
Capital Outlay	<u>19,389</u>	<u>19,389</u>	<u>-</u>
	<u>\$ 25,145</u>	<u>\$ 25,145</u>	<u>\$ -</u>

Total Encumbrances Cancelled During the Audit -

Assigned Fund Balance - Year End Encumbrances in the CAFR - June 30, 2018 25,145

Grand Total \$ 1,946,882

**PLAINFIELD BOARD OF EDUCATION
ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Special Revenue Fund (Fund 20)

Encumbrances per the June 30, 2018 Board Secretary Report \$ 33,217

<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	\$ 1,369	\$ 1,369	
Other Instruction	18,507	18,507	
Student Support Services	13,341	13,341	
Transportation			
Capital Outlay	-	-	-
	<u>\$ 33,217</u>	<u>\$ 33,217</u>	<u>\$ -</u>

Total Encumbrances Cancelled During the Audit -

Assigned Fund Balance - Year End Encumbrances in the CAFR - June 30, 2018 \$ 33,217

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

It is recommended that:

1. The original budget included in the District's appropriation report be in agreement with the adopted budget.
2. The allocation of salaries of all employees charged to the ESEA Title I grant program be made in accordance with approved percentages on a per pay basis.

III. School Purchasing Program

It is recommended that:

1. All bids be inclusive of all related types of goods to be purchased by the District.
2. Purchases made under National Cooperative contracts be made in accordance with State procurement guidelines.

IV. School Food Service

There are none.

V. Student Body Activities

It is recommended that:

1. Deficits in certain subaccounts in the High School Activity account and the cash overdraft at Maxson Middle School be eliminated.
2. A detail roster be maintained and reconciled to bank deposits for student senior fees collected.
3. Efforts be made to limit reimbursements paid to individuals and proper documentation be retained for all cash disbursements.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

There are none.

VIII. Facilities and Capital Assets

There are none.

IX. Miscellaneous

There are none.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Status of Prior Years' Audit Findings/Recommendations

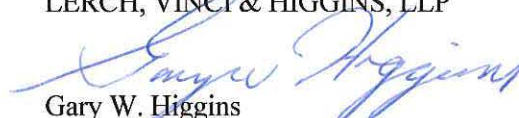
Corrective action was taken on all prior year audit findings/recommendations.

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