

**PLAINFIELD BOARD OF EDUCATION
AUDITORS' MANAGEMENT REPORT ON
ADMINISTRATIVE FINDINGS -
FINANCIAL, COMPLIANCE AND PERFORMANCE
JUNE 30, 2019**

**PLAINFIELD BOARD OF EDUCATION
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- FINANCIAL, COMPLIANCE AND PERFORMANCE**

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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, 2019, and have issued our report thereon dated December 17, 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
December 17, 2019

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$192,000
Yolanda D. Koon	Asst. Business Administrator/Acting Board Secretary	118,000

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 tested.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

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 Board Secretary's and cash reports were presented monthly to the Board on a timely basis and were submitted to the executive county superintendent as prescribed by (N.J.S.A. 18A:17-9).

The prescribed contractual order system was followed.

Board Designee – Bank Reconciliations

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.

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.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Financial Planning, Accounting and Reporting (Continued)

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, 2019 of \$1,165,117 is less than the 2019/2020 budgeted carryover of \$1,969,785. No recommendation is warranted since the 2019/2020 budget will be adjusted based on the actual carryover amount.

IDEA Part B

Separate accounting records were maintained for each approved project. Grant application approvals and acceptance of grant funds were made by Board resolution.

Nonpublic State Aid

Project completion reports were finalized and transmitted to the Department of Education by the due date.

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.

T.P.A.F Reimbursements to the State for Federal Salary Expenditures

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.

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.

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

School Purchasing Programs (Continued)

Contracts and Agreements Requiring Advertisement for Bids (Continued)

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 – Our audit of purchases revealed payments made under cooperative purchasing agreements and State contracts that in the aggregate exceeded the bid threshold were not specifically approved by Board resolution..

Recommendation – Purchases of goods and/or services under cooperative agreements and State contract vendors where aggregated purchases exceed the bid threshold be awarded by Board resolution.

Finding – Our audit of bids indicated that the District did not submit the post-award notice within 20 days after the award to the Office of the State Comptroller in accordance with N.J.S.A. 52:15C-10 for a contract award in excess of \$2 million.

Recommendation – Purchasing procedures be enhanced to ensure post-award notices are submitted to the Office of the State Comptroller in accordance with N.J.S.A. 52:15C-10.

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 Maschio's Food Services, 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 \$700,000. The operating results provision was met. 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, 2019**

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.

The New Jersey Department of Agriculture conducted an administrative review of the Plainfield Board of Education's child nutrition program for the 2016/17 fiscal year during the 2017/18 fiscal year. A report was issued that contained several findings and recommendations which required the development of a corrective action plan. The District approved and submitted a corrective action plan (CAP) at the January 22, 2019 Board meeting in response to the report issued and the State of New Jersey Department of Agriculture has approved the CAP and closed the review.

Student Body Activity

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

Finding – Our audit of collections revealed pre-numbered receipts were not utilized at the Maxon School.

Recommendation – Pre-numbered receipts be utilized for all receipts collected at the Maxon School.

Finding – Our audit of disbursements indicated that withdrawal forms were not utilized at the Maxon School. Additionally, supporting documentation for cash disbursements was not available at certain elementary schools.

Recommendation – Withdrawal forms be utilized for all payments made at the Maxon School and supporting documentation be available for all disbursements made at the elementary schools.

Application for State School Aid

Our audit procedures included a test of information reported in the October 15, 2018 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 without 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, 2019**

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2018-2019 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 exceptions.

Finding – Our audit of the DRTRS revealed the following:

- Three (3) charter school student’s applications were not available to verify enrollment.
- Eleven (11) students reported as receiving transportation services were not eligible.
- Seven (7) IEP’s for special education students with special needs either did not indicate transportation as a related service, the IEP was not available or the student was no longer in the District.
- One (1) non-public form B6T was not available to verify enrollment.

Recommendation – Internal controls over the preparation of the DRTRS report 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.

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.

Suggestions to Management

Old outstanding checks on the District’s bank reconciliations be reviewed and cleared of record.

**PLAINFIELD BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
SCHEDULE OF MEAL COUNT ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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	141,678	50,799	50,799	-	\$ 0.33	-
	Reduced	56,224	19,826	19,826	-	2.93	-
	Free	<u>726,962</u>	<u>256,804</u>	<u>256,804</u>	-	3.33	-
	Total Lunch	<u>924,864</u>	<u>327,429</u>	<u>327,429</u>	-		-
National School Lunch	HHFKA-PB Lunch Only	<u>924,864</u>	<u>327,429</u>	<u>327,429</u>	-	0.06	-
	School Breakfast (Severe Needs Rate)	Paid	93,865	32,099	32,099	-	0.31
	Reduced	32,077	10,961	10,961	-	1.84	-
	Free	<u>399,572</u>	<u>137,560</u>	<u>137,560</u>	-	2.14	-
	Total Breakfast	<u>525,514</u>	<u>180,620</u>	<u>180,620</u>	-		-
School Snacks (At Risk/Area Eligible)	Paid						
	Reduced						
	Free	<u>43,242</u>	<u>14,032</u>	<u>14,032</u>	-	0.91	\$ -
	Total Snacks	<u>43,242</u>	<u>14,032</u>	<u>14,032</u>	-		-
		<u>2,418,484</u>	<u>849,510</u>	<u>849,510</u>	-		<u>\$ -</u>

**PLAINFIELD BOARD OF EDUCATION
FOOD SERVICE ENTERPRISE FUND
CALCULATION OF NET CASH RESOURCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Current Assets	
Cash and Cash Equivalents	\$ 166,212
Due from Other Governments	280,432
Accounts Receivable	115,686
Current Liabilities	
Due to Other Funds	(17,425)
Accounts Payable	(232,644)
Net Cash Resources	<u>\$ 312,261</u>
<u>Adjusted Total Operating Expense:</u>	
Total Operating Expenses	\$ 4,789,286
Less Depreciation	(64,884)
Adjusted Total Operating Expense	<u>\$ 4,724,402</u>
<u>Average Monthly Operating Expense:</u>	<u>\$ 472,440</u>
<u>Three Times Monthly Average:</u>	<u>\$ 1,417,321</u>
Total Net Cash Resources	\$ 312,261
Three Times Monthly Average	(1,417,321)
Excess(Deficit) Cash Resources	<u>\$ (1,105,060)</u>

**PLAINFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

	2019-20 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	3.0	-	3.0	-			3	-	3	-						
Full Day Preschool - 3yr	3.0	-	3.0	-			3	-	3	-						
Full Day Preschool - 4yr																
Half Day Kindergarten	-	-	-	-			-	-	-	-						
Full Day Kindergarten	569.0	-	569.0	-	-	-	80	-	80	-	-	-				
One	580.0	-	580.0	-	-	-	68	-	68	-	-	-				
Two	509.0	-	509.0	-	-	-	56	-	56	-	-	-				
Three	601.0	-	601.0	-	-	-	52	-	52	-	-	-				
Four	568.0	-	568.0	-	-	-	62	-	62	-	-	-				
Five	534.0	-	534.0	-	-	-	92	-	92	-	-	-				
Six	457.0	-	457.0	-	-	-	180	-	180	-	-	-				
Seven	479.0	-	479.0	-	-	-	172	-	172	-	-	-				
Eight	479.0	-	479.0	-	-	-	52	-	52	-	-	-				
Nine	451.0	-	451.0	-	-	-	375	-	375	-	-	-				
Ten	398.0	1.0	398.0	1.0	-	-	318	1	318	1	-	-				
Eleven	423.0	18.0	423.0	18.0	-	-	364	18	364	18	-	-				
Twelve	436.0	12.0	436.0	12.0	-	-	390	12	390	12	-	-				
Post-Graduate																
Adult H.S. (15+CR.)																
Adult H.S. (1-14 CR.)																
Subtotal	6,490.0	31.0	6,490.0	31.0	-	-	2,267.0	31.0	2,267.0	31.0	-	-	-	-	-	-
Special Ed - Elementary	558.0	-	558.0	-	-	-	34	-	34	-	-	-	28.0	12.0	12.0	-
Special Ed - Middle School	330.0	-	330.0	-	-	-	20	-	20	-	-	-	8.0	3.0	3.0	-
Special Ed - High School	256.0	24.0	256.0	24.0	-	-	11	4	11	4	-	-	23.0	9.0	8.0	1.0
Subtotal	1,144.0	24.0	1,144.0	24.0	-	-	65.0	4.0	65.0	4.0	-	-	59.0	24.0	23.0	1.0
Co. Voc. - Regular																
Co. Voc. Ft. Post Sec.																
Totals	7,634.0	55.0	7,634.0	55.0	-	-	2,332.0	35.0	2,332.0	35.0	-	-	59.0	24.0	23.0	1.0
Percentage Error					0.00%	0.00%					0.00%	0.00%				4.17%

**PLAINFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018
SCHEDULE OF AUDITED ENROLLMENTS**

	<u>Resident Low Income</u>			<u>Sample for Verification</u>			<u>Resident LEP Low Income</u>			<u>Sample for Verification</u>		
	<u>Reported on A.S.S.A. as Low Income</u>	<u>Reported on Workpapers as Low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Application and Register</u>	<u>Sample Errors</u>	<u>Reported on A.S.S.A. as LEP low Income</u>	<u>Reported on Workpapers as LEP low Income</u>	<u>Errors</u>	<u>Sample Selected from Workpapers</u>	<u>Verified to Test Score and Register</u>	<u>Sample Errors</u>
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten	603.0	603.0	-	9.0	9.0	-	290.0	290.0	-	7.0	7.0	-
One	650.0	650.0	-	9.0	8.0	1	341.0	341.0	-	9.0	9.0	-
Two	587.0	587.0	-	8.0	8.0	-	296.0	296.0	-	7.0	7.0	-
Three	621.0	621.0	-	9.0	9.0	-	359.0	359.0	-	9.0	9.0	-
Four	598.0	598.0	-	8.0	8.0	-	296.0	296.0	-	7.0	7.0	-
Five	539.0	539.0	-	8.0	8.0	-	191.0	191.0	-	5.0	5.0	-
Six	500.0	500.0	-	7.0	7.0	-	115.0	115.0	-	3.0	3.0	-
Seven	488.0	488.0	-	7.0	7.0	-	85.0	85.0	-	2.0	2.0	-
Eight	476.0	476.0	-	7.0	7.0	-	86.0	86.0	-	2.0	2.0	-
Nine	489.0	489.0	-	7.0	7.0	-	141.0	141.0	-	4.0	4.0	-
Ten	352.5	352.5	-	5.0	5.0	-	104.0	104.0	-	3.0	3.0	-
Eleven	389.5	389.5	-	6.0	6.0	-	129.5	129.5	-	3.0	3.0	-
Twelve	394.0	394.0	-	6.0	6.0	-	118.5	118.5	-	3.0	3.0	-
Post-Graduate												
Adult H.S. (15+CR.)												
Adult H.S. (1-14 CR.)												
Subtotal	<u>6,687.0</u>	<u>6,687.0</u>	<u>-</u>	<u>96.0</u>	<u>95.0</u>	<u>1</u>	<u>2,552.0</u>	<u>2,552.0</u>	<u>-</u>	<u>64.0</u>	<u>64.0</u>	<u>-</u>
Special Ed - Elementary	614.0	614.0	-	9.0	9.0	-	235.0	235.0	-	5.0	5.0	-
Special Ed - Middle	331.0	331.0	-	4.0	4.0	-	37.0	37.0	-	1.0	1.0	-
Special Ed - High	258.0	258.0	-	3.0	3.0	-	7.0	7.0	-	1.0	1.0	-
Subtotal	<u>1,203.0</u>	<u>1,203.0</u>	<u>-</u>	<u>16.0</u>	<u>16.0</u>	<u>-</u>	<u>279.0</u>	<u>279.0</u>	<u>-</u>	<u>7.0</u>	<u>7.0</u>	<u>-</u>
Co. Voc. - Regular												
Co. Voc. Ft. Post Sec.												
Totals	<u>7,890.0</u>	<u>7,890.0</u>	<u>-</u>	<u>112.0</u>	<u>111.0</u>	<u>1</u>	<u>2,831.0</u>	<u>2,831.0</u>	<u>-</u>	<u>71.0</u>	<u>71.0</u>	<u>-</u>
Percentage Error			<u>0.00%</u>			<u>0.89%</u>			<u>0.00%</u>			<u>0.00%</u>

	<u>Transportation</u>					
	<u>Reported on DRTRS by DOE/county</u>	<u>Reported on DRTRS by District</u>	<u>Errors</u>	<u>Tested</u>	<u>Verified</u>	<u>Errors</u>
Reg. - Public Schools, col. 1	683.0	683.0	-	98.0	84.0	14
Reg -SpEd, col. 4	5.0	5.0	-	1.0	1.0	-
Transported - Non-Public, col. 3	123.0	123.0	-	18.0	17.0	1
Special Ed Spec, col. 6	411.0	411.0	-	58.0	51.0	7.0
Totals	<u>1,222.0</u>	<u>1,222.0</u>	<u>-</u>	<u>175.0</u>	<u>153.0</u>	<u>22.0</u>
Percentage Error					<u>12.57%</u>	

**PLAINFIELD BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
ENROLLMENT AS OF OCTOBER 15, 2018
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	62.0	62.0	-	8.0	8.0	-
One	46.0	46.0	-	6.0	6.0	-
Two	40.0	40.0	-	5.0	5.0	-
Three	44.0	44.0	-	6.0	6.0	-
Four	27.0	27.0	-	4.0	4.0	-
Five	25.0	25.0	-	3.0	3.0	-
Six	21.0	21.0	-	3.0	3.0	-
Seven	23.0	23.0	-	3.0	3.0	-
Eight	14.0	14.0	-	2.0	2.0	-
Nine	22.0	22.0	-	3.0	3.0	-
Ten	34.0	34.0	-	5.0	5.0	-
Eleven	40.0	40.0	-	5.0	5.0	-
Twelve	41.0	41.0	-	5.0	5.0	-
Post-Graduate						
Adult H.S. (15+CR.)						
Adult H.S. (1-14 CR.)						
Subtotal	<u>439</u>	<u>439</u>	<u>-</u>	<u>58</u>	<u>58</u>	<u>-</u>
Special Ed - Elementary	33.0	33.0	-	4.0	4.0	-
Special Ed - Middle	10.0	10.0	-	1.0	1.0	-
Special Ed - High	2.0	2.0	-	1.0	1.0	-
Subtotal	<u>45</u>	<u>45</u>	<u>-</u>	<u>6</u>	<u>6</u>	<u>-</u>
Co. Voc. - Regular						
Co. Voc. Ft. Post Sec.						
Totals	<u>484</u>	<u>484</u>	<u>-</u>	<u>64</u>	<u>64</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, 2019**

Section 1

Calculation A: 2% Excess Surplus:

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

2018-2019 Total General Fund Expenditures reported on Exhibit C-1	\$ 190,938,808
Add: Transfer from General Fund to Special Revenue Fund for Preschool - Regular	717,213
Less: Expenditures allocated to restricted federal sources as reported on Exhibit D-2	(1,181,333)
2018-2019 Adjusted General Fund & Other State Expenditures	190,474,688
Decreased by:	
On-Behalf TPAF Pension & Social Security	(19,972,967)
Assets Acquired Under Lease Purchase	(4,803,099)
2018-2019 General Fund Expenditures	\$ 165,698,622
2% of Adjusted 2018-2019 General Fund Expenditures (or \$250,000)	\$ 3,313,972
Increased by: Allowable Adjustment - Additional Nonpublic Transportation Aid	90,508
Allowable Adjustment - Extraordinary Aid (Excess of Budgeted Amount)	1,062,979
Maximum Unassigned Fund Balance	\$ 4,467,459

SECTION 2

Total General Fund - Fund Balances at June 30, 2019	\$ 14,044,266
(Per CAFR Budgetary Comparison schedule/statement)	
Decreased by:	
Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 1,003,513
Capital Reserve	527,688
Capital Reserve - Designated for Subsequent Year's Expenditures	1,300,000
Maintenance Reserve	17,744
Maintenance Reserve - Designated for Subsequent Year's Expenditures	1,042,336
Committed - Year End Encumbrances	2,897,155
Assigned - Year End Encumbrances	160,966
Assigned - Designated for Subsequent Year's Expenditures	2,870,783
	9,820,185
Total Unassigned Fund Balance	\$ 4,224,081

SECTION 3

<i>Fund Balance - Excess Surplus</i>	\$ -
<u>Recapitulation of Excess Surplus as of June 30, 2019</u>	
Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 1,003,513
	\$ 1,003,513

**PLAINFIELD BOARD OF EDUCATION
ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

General Fund (Funds 11, 12, 13)

Encumbrances per the June 30, 2019 Board Secretary Report \$ 3,058,121

<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	\$ 59,000	\$ 59,000	
Central Services	16,862	16,862	
Plant Operations and Maintenance	85,104	85,104	
Transportation			
Capital Outlay	<u>2,897,155</u>	<u>2,897,155</u>	<u>-</u>
	<u>\$ 3,058,121</u>	<u>\$ 3,058,121</u>	<u>\$ -</u>

Total Encumbrances Cancelled During the Audit -

Committed Fund Balance - Year End Encumbrances in the CAFR - June 30, 2019 2,897,155

Assigned Fund Balance - Year End Encumbrances in the CAFR - June 30, 2019 160,966

\$ 3,058,121

Blended Resource Fund (Fund 15)

Encumbrances per the June 30, 2019 Board Secretary Report \$ -

<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			
School Administration			
Transportation			
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Total Encumbrances Cancelled During the Audit -

Assigned Fund Balance - Year End Encumbrances in the CAFR - June 30, 2019 -

Grand Total \$ 3,058,121

**PLAINFIELD BOARD OF EDUCATION
ENCUMBRANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Special Revenue Fund (Fund 20)

Encumbrances per the June 30, 2019 Board Secretary Report \$ -

<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			
Transportation			
Capital Outlay	-	-	-
	-----	-----	-----
	\$ -	\$ -	\$ -
	-----	-----	-----

Total Encumbrances Cancelled During the Audit ----- -

Assigned Fund Balance - Year End Encumbrances in the CAFR - June 30, 2019 \$ -----

**PLAINFIELD BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

RECOMMENDATIONS

I. Administrative Practices and Procedures

There are none.

II. Financial Planning, Accounting and Reporting

There are none.

III. School Purchasing Program

It is recommended that:

1. Purchases of goods and/or services under cooperative agreements and State contract vendors where aggregated purchases exceed the bid threshold be awarded by Board resolution.
2. Purchasing procedures be enhanced to ensure post-award notices are submitted to the Office of the State Comptroller in accordance with N.J.S.A. 52:15C-10.

IV. School Food Service

There are none.

V. Student Body Activities

It is recommended that:

1. Pre-numbered receipts be utilized for all receipts collected at the Maxon School.
2. Withdrawal forms be utilized for all payments made at the Maxon School and supporting documentation be available for all disbursements made at the elementary schools.

VI. Application for State School Aid

There are none.

VII. Pupil Transportation

It is recommended that internal controls over the preparation of the DRTRS report be reviewed and enhanced.

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, 2019**

Status of Prior Years' Audit Findings/Recommendations

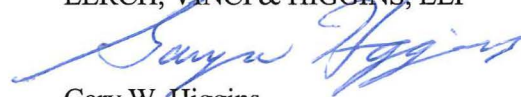
Corrective action was taken on all prior year audit findings/recommendations.

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