

Plainfield Community Consolidated District No. 202

Required Communication Letters

Year Ended June 30, 2017

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Education
Plainfield Community Consolidated School District No. 202
Plainfield, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plainfield Community Consolidated School District No. 202 (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 18, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Klein Hall CPAs". The signature is written in a cursive, flowing style.

Klein Hall CPAs
Aurora, Illinois
August 18, 2017



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Management Letter

Board of Education
Plainfield Community Consolidated School District No. 202
Plainfield, Illinois

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plainfield Community Consolidated School District No. 202 as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered Plainfield Community Consolidated School District No. 202's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Plainfield Community Consolidated School District No. 202's internal control. Accordingly, we do not express an opinion on the effectiveness of Plainfield Community Consolidated School District No. 202's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Additionally, we wish to make the following recommendations for improvement:

Student Activity Funds

As a result of our testing of student activity funds, we noted the following deficiencies and recommendations for improvement:

- The District's vendor approval process should be extended to all vendors paid from activity funds.
- Consider centralizing all activity funds in the business office to ensure the internal controls are applied consistently and thoroughly, and that finance officials are approving transactions prior to issuing checks.
- Several activity fund bank accounts had uncleared checks that were older than one year. We recommend the District review the uncleared checks for all accounts (including non-activity funds) to ensure timely follow up and compliance with State unclaimed property statutes.
- We recommend adopting a formal policy document governing all activity funds.

Purchasing Cards

The District is not applying controls over the usage of purchasing cards consistently. District policy requires all restaurant receipts to be itemized, and that all purchases need to be accompanied by an original receipt/invoice. We noted some exceptions during our testing of purchasing card transactions.

Grant Expenditure Reports

We recommend the District take steps to ensure that all expenditure reports are submitted to granting agencies in a timely manner. With the recurring delays in State aid disbursements, timely filing of expenditure reports will ensure expenditures are reimbursed without significant delay.

Positive Attributes

Although the general purpose of this letter is to cover only matters needing consideration, we believe it is also important to point out that there are many positive attributes of the District's financial management systems, which are not specifically covered herein.

We would like to take this opportunity to thank the District and their personnel for the cooperation and courtesies extended to us during our audit.

This communication is intended solely for the information and use of management, the Board of Education, and others within Plainfield Community Consolidated School District No. 202, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Klein Hall CPAs".

Klein, Hall CPAs
Aurora, Illinois
August 18, 2017



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Communication with Those Charged with Governance

August 18, 2017

Board of Education
Plainfield Community Consolidated School District No. 202
15732 Howard Street
Plainfield, Illinois 60544

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Plainfield Community Consolidated School District No. 202 for the year ended June 30, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and Uniform Grant Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 6, 2017. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Plainfield Community Consolidated School District No. 202 are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by Plainfield Community Consolidated School District No. 202 during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the District's financial statements was:

Management's estimate of the self-insurance claims payable is based on actual claims experience and estimates provided by the third party administrator. We evaluated the key factors and assumptions used to develop the claims payable liability in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 18, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Plainfield Community Consolidated School District No. 202's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Plainfield Community Consolidated School District No. 202's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information listed in the table of contents, which are (is) required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the other supplementary schedules, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of Board of Education and management of Plainfield Community Consolidated School District No. 202 and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in cursive script that reads "Klein Hall CPAs". The signature is written in dark ink and is positioned above the typed name.

Klein, Hall CPAs
Aurora, Illinois

Plainfield Community Consolidated District No. 202

Year End: June 30, 2017

Adjusting Journal Entries

Date: 7/1/2016 To 6/30/2017

Number	Date	Name	Account No	Debit	Credit
1	6/30/2017	CASH IN BANK	10.00101.000.00.000.00.000000 10-EF	140,000.00	
1	6/30/2017	FUND BALANCE	10.00704.000.00.000.00.000000 10-EF	389,191.00	
1	6/30/2017	FUND BALANCE	10.00704.000.00.000.00.000000 10-EF	630,819.00	
1	6/30/2017	FUND BALANCE	10.00704.000.00.000.00.000000 10-EF		-3,400,792.00
1	6/30/2017	FUND BALANCE	10.00704.000.00.000.00.000000 10-EF		-785.00
1	6/30/2017	FUND BALANCE	10.00704.000.00.000.00.000000 10-EF		-140,000.00
1	6/30/2017	Teachers Retirement	10.01100.200.00.000.00.000000 10-EF		-630,819.00
1	6/30/2017	Materials - District Expense IT	10.01120.400.00.000.00.000000 10-EF		-1,239.00
1	6/30/2017	SUPPLIES SE	10.01200.400.00.000.00.000000 10-EF		-559.00
1	6/30/2017	Translation - IDEA	10.02630.300.00.000.00.000000 10-EF		-142,626.00
1	6/30/2017	SUPPORT/MAINT SERVICES	10.02660.300.00.000.00.000000 10-EF		-17,526.00
1	6/30/2017	EQUIPMENT TECHNOLOGY	10.02660.500.00.000.00.000000 10-EF		-146,336.00
1	6/30/2017	Room & Board	10.04120.600.00.000.00.000000 10-EF		-80,905.00
1	6/30/2017	BILINGUAL TPI	10.33050.000.00.000.00.000000 10-EF	73,098.00	
1	6/30/2017	STATE FREE LUNCH	10.33600.000.00.000.00.000000 10-EF	3,697.00	
1	6/30/2017	EARLY CHILDHOOD BLOCK	10.37050.000.00.000.00.000000 10-EF	186,256.00	
1	6/30/2017	Title I	10.43000.000.00.000.00.000000 10-EF	459,734.00	
1	6/30/2017	PRESCHOOL FLOW THROUGH	10.46000.000.00.000.00.000000 10-EF	32,033.00	
1	6/30/2017	IDEA FLOW THROUGH	10.46200.000.00.000.00.000000 10-EF	2,523,196.00	
1	6/30/2017	ROOM & BOARD	10.46250.000.00.000.00.000000 10-EF	76,244.00	
1	6/30/2017	PERKINS III GRANT	10.47450.000.00.000.00.000000 10-EF	785.00	
1	6/30/2017	TITLE III IMMIGRANT EDUC	10.49050.000.00.000.00.000000 10-EF	4,500.00	
1	6/30/2017	TITLE III LANG INST PROG	10.49090.000.00.000.00.000000 10-EF	11,589.00	
1	6/30/2017	TITLE II TEACHER QUALITY	10.49320.000.00.000.00.000000 10-EF	30,445.00	
1	6/30/2017	CASH IN BANK	20.00101.000.00.000.00.000000 20-OMF		-140,000.00
1	6/30/2017	FUND BALANCE	20.00704.000.00.000.00.000000 20-OMF	222,409.00	
1	6/30/2017	FUND BALANCE	20.00704.000.00.000.00.000000 20-OMF	140,000.00	
1	6/30/2017	FALSE ALARMS	20.02540.300.00.000.00.000000 20-OMF		-7,371.00
1	6/30/2017	SUPPLIES OPER/MAINT	20.02540.400.00.000.00.000000 20-OMF		-215,038.00
1	6/30/2017	FUND BALANCE	40.00704.000.00.000.00.000000 40-TF	32,051.00	
1	6/30/2017	REPAIR/MAINT TRANS	40.02550.300.00.000.00.000000 40-TF		-32,051.00
1	6/30/2017	FUND BALANCE	60.00704.000.00.000.00.000000 60-CPF	1,066,403.00	
1	6/30/2017	CONSTRUCTION	60.02530.500.00.000.00.000000 60-CPF		-1,066,403.00
1	6/30/2017	FUND BALANCE	80.00704.000.00.000.00.000000 80-TIF	204,491.00	
1	6/30/2017	LEGAL SERVICES BOE	80.02310.300.00.000.00.000000 80-TIF		-204,491.00
To reverse PY accruals					
2	6/30/2017	TAXES RECEIVABLE	1A130 10-EF	59,842,073.00	
2	6/30/2017	DEFERRED REVENUE	1A490 10-EF		-59,842,073.00
2	6/30/2017	TAXES RECEIVABLE	2A130 20-OMF	7,977,420.00	
2	6/30/2017	DEFERRED REVENUE	2A490 20-OMF		-7,977,420.00
2	6/30/2017	TAXES REC	3A130 30-BIF	16,106,033.00	
2	6/30/2017	DEFERRED REVENUE	3A490 30-BIF		-16,106,033.00

Plainfield Community Consolidated District No. 202

Year End: June 30, 2017

Adjusting Journal Entries

Date: 7/1/2016 To 6/30/2017

Number	Date	Name	Account No	Debit	Credit
2	6/30/2017	TAXES RECEIVABLE	4A130 40-TF	4,229,943.00	
2	6/30/2017	DEFERRED REVENUE	4A490 40-TF		-4,229,943.00
2	6/30/2017	TAXES RECEIVABLE	5A130 50-ISF	1,746,124.00	
2	6/30/2017	DEFERRED REVENUE	5A490 50-ISF		-1,746,124.00
2	6/30/2017	TAXES RECEIVABLE	7A130 70-WCF	716,624.00	
2	6/30/2017	DEFERRED REVENUE	7A490 70-WCF		-716,624.00
2	6/30/2017	TAXES RECEIVABLE	8A130 80-TIF	2,014,168.00	
2	6/30/2017	DEFERRED REVENUE	8A490 80-TIF		-2,014,168.00
<p>To record property taxes receivable as of 6/30/2017</p>					
3	6/30/2017	CASH IN BANK	10.00101.000.00.0000.00.000000 10-EF	21,086,168.00	
3	6/30/2017	Salary Liability	10.00403.000.00.0000.00.000000 10-EF		-12,351,617.00
3	6/30/2017	FIT PAYABLE	10.00452.000.00.0000.00.000000 10-EF		-8,734,551.00
3	6/30/2017	CASH IN BANK	50.00101.000.00.0000.00.000000 50-ISF	563,838.00	
3	6/30/2017	IMRF Employeer	50.00454.000.09.0000.00.000000 50-ISF		-563,838.00
<p>To record accrued payroll for FY17</p>					
4	6/30/2017	UNALLOCATED	1C4998 10-EF		-5,234.00
4	6/30/2017	TITLE II TEACHER QUALITY	10.49320.000.00.0000.00.000000 10-EF	5,234.00	
<p>To reclassify 4998 Other Federal Program to appropriate account</p>					
5	6/30/2017	OTHER SOURCES NOT CLASSIFIED ELSEWHER	4B7990 40-TF		-641,376.00
5	6/30/2017	INTEREST ON LONG TERM DEBT-	4D52006 40-TF	19,218.00	
5	6/30/2017	LEASE PURCHASE- OTHER OBJECTS	4D53006 40-TF	185,650.00	
5	6/30/2017	REPAIR/MAINT TRANS	40.02550.300.00.0000.00.000000 40-TF		-204,868.00
5	6/30/2017	EQUIPMENT TRANS	40.02550.500.00.0000.00.000000 40-TF	641,376.00	
<p>To reclassify bus lease expenditures to debt service principal/interest for reporting purposes, and to record the proceeds of the capital lease</p>					
6	6/30/2017	INTERGOVERNMENTAL ACCOUNTS RECEIVABL	1A150 10-EF	2,812,722.00	
6	6/30/2017	INTERGOVERNMENTAL ACCOUNTS RECEIVABL	1A150 10-EF	5,623,695.00	
6	6/30/2017	DEFERRED REVENUE	1A490 10-EF		-2,811,848.00
6	6/30/2017	INTERGOVERNMENTAL ACCOUNTS RECEIVABL	4A150 40-TF	3,661,896.00	
6	6/30/2017	DEFERRED REVENUE	4A490 40-TF		-1,830,949.00
6	6/30/2017	SE - PVT FACILITY TUITION	10.31000.000.00.0000.00.000000 10-EF		-709,699.00
6	6/30/2017	SE - EXTRAORDINARY	10.31050.000.00.0000.00.000000 10-EF		-846,247.00

Plainfield Community Consolidated District No. 202

Year End: June 30, 2017

Adjusting Journal Entries

Date: 7/1/2016 To 6/30/2017

Number	Date	Name	Account No	Debit	Credit
6	6/30/2017	SE - PERSONNEL	10.31100.000.00.000.00.000000 10-EF		-1,255,901.00
6	6/30/2017	SE - ORPHANAGE INDIVIDUAL	10.31200.000.00.000.00.000000 10-EF		-100,526.00
6	6/30/2017	SE: DISTRICT WIDE	10.31300.000.00.000.00.000000 10-EF		-37,166.00
6	6/30/2017	SE - SUMMER SCHOOL	10.31450.000.00.000.00.000000 10-EF		-128,224.00
6	6/30/2017	BILINGUAL TPI	10.33050.000.00.000.00.000000 10-EF		-188,217.00
6	6/30/2017	STATE FREE LUNCH	10.33600.000.00.000.00.000000 10-EF		-19,958.00
6	6/30/2017	EARLY CHILDHOOD BLOCK	10.37050.000.00.000.00.000000 10-EF		-494,400.00
6	6/30/2017	Title I	10.43000.000.00.000.00.000000 10-EF		-302,588.00
6	6/30/2017	PRESCHOOL FLOW THROUGH	10.46000.000.00.000.00.000000 10-EF		-32,638.00
6	6/30/2017	IDEA FLOW THROUGH	10.46200.000.00.000.00.000000 10-EF		-1,451,773.00
6	6/30/2017	TITLE III IMMIGRANT EDUC	10.49050.000.00.000.00.000000 10-EF		-2,763.00
6	6/30/2017	TITLE III LANG INST PROG	10.49090.000.00.000.00.000000 10-EF		-52,968.00
6	6/30/2017	TITLE II TEACHER QUALITY	10.49320.000.00.000.00.000000 10-EF		-1,501.00
6	6/30/2017	REGULAR TRANSPORTATION	40.35000.000.00.000.00.000000 40-TF		-773,183.00
6	6/30/2017	SE - TRANSPORTATION	40.35100.000.00.000.00.000000 40-TF		-1,057,764.00

To record state and federal
revenue receivables

7	6/30/2017	ACCOUNTS PAYABLE	10.00402.000.00.000.00.000000 10-EF		-221,964.00
7	6/30/2017	DUES/FEES BOE	10.02310.600.00.000.00.000000 10-EF	26,431.00	
7	6/30/2017	SUPPORT/MAINT SERVICES	10.02660.300.00.000.00.000000 10-EF	129,600.00	
7	6/30/2017	EQUIPMENT TECHNOLOGY	10.02660.500.00.000.00.000000 10-EF	65,933.00	
7	6/30/2017	ACCOUNTS PAYABLE	20.00402.000.00.000.00.000000 20-OMF		-316,948.00
7	6/30/2017	SUPPLIES OPER/MAINT	20.02540.400.00.000.00.000000 20-OMF	316,948.00	
7	6/30/2017	ACCOUNTS PAYABLE	60.00402.000.00.000.00.000000 60-CPF		-406,630.00
7	6/30/2017	CONSTRUCTION	60.02530.500.00.000.00.000000 60-CPF	406,630.00	

Record CY AP Accrual Entry

8	6/30/2017	ON BEHALF PAYMENTS	1C3998 10-EF		-50,537,800.00
8	6/30/2017	REGULAR-ON BEHALF PAYMENTS	1D110022 10-EF	50,537,800.00	

To record FY17 on-behalf payment

9	6/30/2017	CASH IN BANK	10.00101.000.00.000.00.000000 10-EF	8,100.00	
9	6/30/2017	BUILDING IMPROVEMENTS	10.02530.500.00.000.00.000000 10-EF		-8,100.00
9	6/30/2017	CASH IN BANK	20.00101.000.00.000.00.000000 20-OMF		-8,100.00
9	6/30/2017	EQUIPMENT O/M	20.02540.500.00.000.00.000000 20-OMF	8,100.00	

CLIENT ENTRY: To reclassify
capital outlay from Ed Fund to O&M Fund

Plainfield Community Consolidated District No. 202

Year End: June 30, 2017

Adjusting Journal Entries

Date: 7/1/2016 To 6/30/2017

Number	Date	Name	Account No	Debit	Credit
10	6/30/2017	OTHER PAYABLES - AP	1A430 10-EF		-9,199,746.00
10	6/30/2017	Health Cash Account (KH ACCOUNT)	10.00199.000.00.001.00.000000 10-EF	9,950,316.00	
10	6/30/2017	Teachers Retirement	10.01100.200.00.000.00.000000 10-EF		-750,570.00
		To record health plan and claims payable for FY17			
				194,908,981.00	-194,908,981.00
Net Income (Loss)				15,891,206.00	