

PLAINFIELD COMMUNITY CONSOLIDATED
SCHOOL DISTRICT NO. 202

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022



September 14, 2022

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

In planning and performing our audit of the financial statements of the Plainfield Community Consolidated School District No. 202 (the District), Illinois, for the year ended June 30, 2022, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration, we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less-significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board of Education and management of the Plainfield Community Consolidated School District No. 202, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well-prepared audit package and we appreciate the courtesy and assistance given to us by the entire District staff.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

CURRENT RECOMMENDATIONS

1. GASB STATEMENT NO. 96 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Comment

In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for Subscription-Based Information Technology Arrangements (SBITAs) by governments. It establishes uniform accounting and financial reporting requirements for SBITAs, improves the comparability of financial statements among governments that have entered into SBITAs, and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is applicable to the District's financial statements for the year ended June 30, 2023.

Recommendation

Lauterbach & Amen, LLP will work directly with the District to review the new SBITA criteria in conjunction with the District's current arrangements to determine the appropriate financial reporting for these activities under GASB Statement No. 96.

Management Response

Management acknowledges this comment and, if applicable, will work with Lauterbach and Amen, LLP to implement it by June 30, 2023, as required by GASB.

PRIOR RECOMMENDATIONS

1. GASB STATEMENT NO. 87 LEASES

Comment

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which provides guidance regarding the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. In accordance with GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was issued as temporary relief to governments and other stakeholders in light of the COVID-19 pandemic, GASB Statement No. 87, *Leases* is applicable to the District's financial statements for the year ended June 30, 2022.

Recommendation

Lauterbach & Amen, LLP will work directly with the District to review the new lease criteria in conjunction with the District's current leases to determine the appropriate financial reporting for these activities under GASB Statement No. 87.

Status

This comment has been implemented and will not be repeated in the future.

2. FUNDS OVER BUDGET

Comment

Previously and during our current year-end audit procedures, we noted that the following funds had an excess of actual expenditures over budget for the fiscal year:

<u>Fund</u>	<u>2022</u>	<u>2021</u>
Education Account - General	\$ 1,716,498	4,994,332
Operations and Maintenance Account - General	—	1,853,785
Municipal Retirement/Social Security	104,774	—
Debt Service	—	1,835,476
Capital Projects	6,553,775	—

Recommendation

We recommended the District investigate the causes of the funds over budget and adopt appropriate future funding measures.

PRIOR RECOMMENDATIONS - Continued

2. **FUNDS OVER BUDGET - Continued**

Status

This comment has not been implemented and will be repeated in the future.

Management Response

The District revenue increased more than expected this year. This was a result of conservative budgeting around the Tax Levy due to the unknown collection rate of a new tax payment process instituted by Will County during the Covid-19 Pandemic. In addition, Plainfield 202 was one of the largest recipients of the EBF correction done by ISBE. Further CPPRT payments provided by the State of Illinois were higher than they indicated they would be. We also budgeted more money for PPE supplies, not knowing what would be needed to keep schools open. Transportation expenses were lower than expected due to a slower return to a full busing staff, mostly on the Special Education side.