

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT

OF

PLAINFIELD COMMUNITY SCHOOL CORPORATION

HENDRICKS COUNTY, INDIANA

July 1, 2004 to June 30, 2006



**FILED**

01/22/2007



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Felisia A. O'Bold	07-01-04 to 06-30-07
Superintendent of Schools	Dr. Jerry R. Holifield	07-01-04 to 06-30-07
President of the School Board	Bart Beal David Mansfield Lisa Roesler	07-01-04 to 06-30-05 07-01-05 to 06-30-06 07-01-06 to 07-01-07



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE PLAINFIELD COMMUNITY SCHOOL  
CORPORATION, HENDRICKS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Plainfield Community School Corporation (School Corporation), as of and for the years ended June 30, 2005 and 2006, which collectively comprise the School Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund and the aggregate remaining fund information of the School Corporation as of June 30, 2005 and 2006, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated December 11, 2006, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

The Schedule of Funding Progress as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Schedule of Capital Assets and Schedule of Long-Term Debt are presented for additional analysis and are not a required part of the basic financial statements. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 11, 2006



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

TO: THE OFFICIALS OF THE PLAINFIELD COMMUNITY SCHOOL  
CORPORATION, HENDRICKS COUNTY, INDIANA

We have audited the financial statements of the Plainfield Community School Corporation (School Corporation), as of and for the years ended June 30, 2005 and 2006, and have issued our report thereon dated December 11, 2006. We conducted our audit in accordance with 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.

Compliance

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting 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 over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 11, 2006

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
June 30, 2005

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 7,014,428
Restricted assets:	
Cash and investments	<u>2,444,264</u>
Total assets	<u>\$ 9,458,692</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 2,444,264
Unrestricted	<u>7,014,428</u>
Total net assets	<u>\$ 9,458,692</u>

The accompanying notes are an integral part of the financial statements.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
STATEMENT OF CASH AND INVESTMENTS  
June 30, 2006

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	\$ 14,756,764
Restricted assets:	
Cash and investments	<u>2,917,328</u>
Total assets	<u>\$ 17,674,092</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	\$ 2,917,328
Unrestricted	<u>14,756,764</u>
Total net assets	<u>\$ 17,674,092</u>

The accompanying notes are an integral part of the financial statements.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2005

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 11,877,158	\$ -	\$ 1,185,065	\$ (10,692,093)
Support services	17,972,656	1,369,900	343,735	(16,259,021)
Community services	480,877	-	-	(480,877)
Nonprogrammed charges	279,870	-	-	(279,870)
Debt service	13,911,400	-	-	(13,911,400)
<b>Total governmental activities</b>	<b><u>\$ 44,521,961</u></b>	<b><u>\$ 1,369,900</u></b>	<b><u>\$ 1,528,800</u></b>	<b><u>(41,623,261)</u></b>
General receipts:				
Property taxes				22,686,879
Other local sources				3,973,452
State aid				11,862,896
Bonds and loans				3,899,262
Sale of property, adjustments, and refunds				1,829,855
Investment earnings				<u>120,535</u>
<b>Total general receipts</b>				<b><u>44,372,879</u></b>
<b>Change in cash and investments</b>				<b>2,749,618</b>
<b>Net assets - beginning</b>				<b><u>6,709,074</u></b>
<b>Net assets - ending</b>				<b><u>\$ 9,458,692</u></b>

The accompanying notes are an integral part of the financial statements.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
STATEMENT OF CASH ACTIVITIES  
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 12,294,361	\$ -	\$ 1,256,232	\$ (11,038,129)
Support services	12,948,049	1,403,162	375,179	(11,169,708)
Community services	3,989,323	-	-	(3,989,323)
Nonprogrammed charges	513,148	-	-	(513,148)
Debt service	10,340,629	-	-	(10,340,629)
<b>Total governmental activities</b>	<b><u>\$ 40,085,510</u></b>	<b><u>\$ 1,403,162</u></b>	<b><u>\$ 1,631,411</u></b>	<b><u>(37,050,937)</u></b>
General receipts:				
Property taxes				19,275,744
Other local sources				2,937,071
State aid				12,419,784
Bonds and loans				3,090,393
Sale of property, adjustments, and refunds				6,916,830
Investment earnings				<u>626,515</u>
<b>Total general receipts</b>				<b><u>45,266,337</u></b>
<b>Change in cash and investments</b>				<b>8,215,400</b>
<b>Net assets - beginning</b>				<b><u>9,458,692</u></b>
<b>Net assets - ending</b>				<b><u>\$ 17,674,092</u></b>

The accompanying notes are an integral part of the financial statements.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2005

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	Other	Totals
Receipts:							
Local sources	\$ 12,365,568	\$ 1,852,925	\$ 6,074,739	\$ 5,364,915	\$ 449,467	\$ 2,041,177	\$ 28,148,791
Intermediate sources	81	-	-	-	-	1,894	1,975
State sources	12,203,161	-	-	-	-	198,938	12,402,099
Federal sources	-	-	-	-	-	989,597	989,597
Bonds and loans	3,779,350	119,912	-	-	-	-	3,899,262
Sale of property, adjustments and refunds	78,199	481	-	56,916	-	1,694,259	1,829,855
Intergovernmental transfers	207,198	-	-	-	-	10,091	217,289
<b>Total receipts</b>	<b>28,633,557</b>	<b>1,973,318</b>	<b>6,074,739</b>	<b>5,421,831</b>	<b>449,467</b>	<b>4,935,956</b>	<b>47,488,868</b>
Disbursements:							
Current:							
Instruction	10,919,476	-	-	-	-	957,682	11,877,158
Support services	9,168,385	1,296,413	-	3,247,766	264,040	3,996,052	17,972,656
Community services	480,164	-	-	-	-	713	480,877
Nonprogrammed charges	276,490	-	-	-	-	220,669	497,159
Debt services	7,026,774	326,760	4,132,898	2,012,927	-	412,041	13,911,400
<b>Total disbursements</b>	<b>27,871,289</b>	<b>1,623,173</b>	<b>4,132,898</b>	<b>5,260,693</b>	<b>264,040</b>	<b>5,587,157</b>	<b>44,739,250</b>
Excess (deficiency) of total receipts over (under) total disbursements	762,268	350,145	1,941,841	161,138	185,427	(651,201)	2,749,618
Cash and investments - beginning	2,403,660	241,613	417,937	1,158,926	260,326	2,226,612	6,709,074
Cash and investments - ending	<u>\$ 3,165,928</u>	<u>\$ 591,758</u>	<u>\$ 2,359,778</u>	<u>\$ 1,320,064</u>	<u>\$ 445,753</u>	<u>\$ 1,575,411</u>	<u>\$ 9,458,692</u>

The accompanying notes are an integral part of the financial statements.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2006

	General	Transportation Operating	Debt Service	Capital Projects	School Bus Replacement	High School Construction	Other	Totals
Receipts:								
Local sources	\$ 9,299,198	\$ 1,389,250	\$ 7,107,489	\$ 4,105,268	\$ 381,487	\$ 211,791	\$ 1,745,903	\$ 24,240,386
Intermediate sources	81	-	-	-	-	-	2,025	2,106
State sources	12,693,588	-	-	-	-	-	206,641	12,900,229
Federal sources	-	-	-	-	-	-	1,150,966	1,150,966
Bonds and loans	1,832,386	-	-	1,258,007	-	-	-	3,090,393
Sale of property, adjustments and refunds	69,692	3,060	300,000	21,037	-	6,375,005	148,036	6,916,830
Intergovernmental transfers	33,000	-	-	-	-	-	1,063,954	1,096,954
<b>Total receipts</b>	<b>23,927,945</b>	<b>1,392,310</b>	<b>7,407,489</b>	<b>5,384,312</b>	<b>381,487</b>	<b>6,586,796</b>	<b>4,317,525</b>	<b>49,397,864</b>
Disbursements:								
Current:								
Instruction	11,377,240	-	-	-	-	-	917,121	12,294,361
Support services	8,625,612	1,481,946	-	3,500,426	378,582	-	2,461,909	16,448,475
Community services	488,750	-	-	-	-	-	147	488,897
Nonprogrammed charges	509,491	-	-	1,061,973	-	-	38,638	1,610,102
Debt services	2,941,312	119,912	6,860,998	-	-	-	418,407	10,340,629
<b>Total disbursements</b>	<b>23,942,405</b>	<b>1,601,858</b>	<b>6,860,998</b>	<b>4,562,399</b>	<b>378,582</b>	<b>-</b>	<b>3,836,222</b>	<b>41,182,464</b>
Excess (deficiency) of total receipts over (under) total disbursements	(14,460)	(209,548)	546,491	821,913	2,905	6,586,796	481,303	8,215,400
Cash and investments - beginning	3,165,928	591,758	2,359,778	1,320,064	445,753	-	1,575,411	9,458,692
Cash and investments - ending	<u>\$ 3,151,468</u>	<u>\$ 382,210</u>	<u>\$ 2,906,269</u>	<u>\$ 2,141,977</u>	<u>\$ 448,658</u>	<u>\$ 6,586,796</u>	<u>\$ 2,056,714</u>	<u>\$ 17,674,092</u>

The accompanying notes are an integral part of the financial statements.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The School Corporation's financial reporting entity is composed of the primary government.

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with 10 other school corporations in a joint venture to operate West Central Joint Services (Co-op) which was created to provide special education services. The Co-op's continued existence depends on continued funding by the School Corporations. Complete financial statements for the Co-op can be obtained from the Metropolitan School District of Wayne Township, Marion County.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The school does not have any business-type activities or fiduciary funds.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

The high school construction fund is used to account for the construction of a new high school building.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 7 to 10 days per year. Unused sick leave may be accumulated indefinitely. Accumulated sick leave is paid to employees through cash payments upon termination.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 3 days per year. Personal leave does not accumulate from year to year.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)v

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets - Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers - Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets - Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2005 and 2006, the following fund reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	2005	2006
Title V - 04-05	\$ 3,156	\$ -
Drug Free Schools - 04-05	744	-
Title II - 04-05	3,386	-
Construction	6,542	-

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements. These deficits are to be repaid from future receipts.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At June 30, 2006, the bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of June 30, 2006, the School Corporation had the following investments:

Investment Type	Market Value
Repurchase Agreements	<u>\$ 2,668,000</u>

Investment Policies

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments. At June 30, 2006, the School Corporation held investments in repurchase agreements in the amount of \$2,668,000. Of these investments all were held by the counterparty's trust department or agent but not in the School Corporation's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years.

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Repurchase Agreements	\$ 2,668,000	\$ -	\$ -

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

Standard and Poor's Rating	Moody's Rating	Repurchase Agreements
Unrated	Unrated	\$ 2,668,000

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2005 and 2006, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>	<u>2007</u>
Capital Projects Fund	General Fund	\$ -	\$ 1,061,973
Nonmajor governmental	General Fund	207,198	33,000
Nonmajor governmental	Nonmajor governmental	<u>10,091</u>	<u>1,981</u>
Totals		<u>\$ 217,289</u>	<u>\$ 1,096,954</u>

The School Corporation typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the General Fund to the debt service fund for current-year debt service requirements.

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees, and Dependents (excluding postemployment benefits)

During 1990, the School Corporation joined with other governmental entities to form the Central Indiana School Employee Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for six member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of group health insurance plans for the benefit of members' employees. The School Corporation pays an annual premium to the risk pool for its medical benefits to employees, retirees, and dependents coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,200,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$125,000 limit.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Holding Corporations

The School Corporation has entered into capital leases with eight holding corporations (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be a related party of the School Corporation. Lease payments during the years ended June 30, 2005 and 2006, totaled \$3,818,596 and \$6,584,016, respectively.

C. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 168,470
Interest on net pension obligation	(21,805)
Adjustment to annual required contribution	24,849
Annual pension cost	171,514
Contributions made	230,003
Decrease in net pension obligation	(58,489)
Net pension obligation, beginning of year	(359,248)
Net pension obligation, end of year	\$ (417,737)
Contribution rates:	
School Corporation	5.75%
Plan members	3%
Actuarial valuation date	07-01-05
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 216,160	101%	\$ (257,619)
	06-30-04	185,271	123%	(300,759)
	06-30-05	171,514	124%	(359,248)

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Teachers' Retirement Fund  
150 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2004, 2005, and 2006, were \$287,194, \$347,565, and \$401,035, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 3,377,144	\$ 3,299,581	\$ 77,563	102%	\$ 3,789,990	2%
07-01-04	3,471,681	3,374,421	97,260	103%	3,565,911	3%
07-01-05	3,654,210	3,675,274	(21,064)	99%	3,785,710	(1%)

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Balance June 30</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 32,293,716
Improvements other than buildings	3,100,285
Machinery and equipment	<u>7,510,546</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 42,904,547</u></u>

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
June 30, 2006

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Middle School	\$ 1,600,000	\$ 375,000
Middle School Renovations	1,245,000	130,000
Brentwood Elementary	3,465,000	225,000
High School Expansion	7,090,000	415,000
Central Elementary	12,160,000	485,000
Transportation Center	5,030,000	205,000
High School Expansion	5,084,503	456,973
New High School	110,000,000	154,876
Notes and loans payable		
Common School Loan # A0294	381,250	381,250
Common School Loan # A0326	531,250	75,000
General Obligation Bonds payable:		
Pension Bond	<u>4,810,000</u>	<u>190,000</u>
Total governmental activities long-term debt	<u>\$ 151,397,003</u>	<u>\$ 3,093,099</u>

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS

TEXTBOOK RENTAL AND FEES

The School Corporation, at the time of charging and collecting textbook rental fees, requires other fees to be paid including, but not limited to, a supply fee for most classes, a student agenda fee, and computer supplies fee. The School Corporation Officials could not always provide documentation to verify students received consumable goods equal to the fee charged. High school and middle school textbook rental and fees are not approved by the Board of School Trustees.

The Constitution of the State of Indiana, Article 8, Section 1 states: "Knowledge and learning, generally diffused throughout a community, being essential to the preservation of a free government; it shall be the duty of the General Assembly to encourage, by all suitable means, moral, intellectual, scientific, and agricultural improvement; and to provide, by law, for a general and uniform system of Common Schools, wherein tuition shall be without charge, and equally open to all."

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TIMELY RECORD KEEPING (Applies to Central Elementary School)

The Extra-Curricular Treasurer wrote fifty-five receipts during the months of October 2005 and February and April 2006. Four of these receipts were prepared approximately one month after cash and/or checks were received by the School. The oversight was discovered when the Extra-Curricular Treasurer prepared the monthly bank reconciliation.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

RECEIPTS (Applies to Plainfield Community Middle School)

Some middle school staff members collect money for the activities they sponsor. Prenumbered receipts, indicating the purpose, amount, payment type, payer, and date, were prepared by the staff members when the money is received. The staff members are not using the prescribed receipt form. The Extra-Curricular Treasurer prepares official receipts on the prescribed receipt form when she receives the money from the other staff members. Eight of the fifty-two official receipts written by the Treasurer, in January of 2006, included money remitted to the Treasurer more than one week after the initial receipt. The delays ranged from eight to forty-six days.

Indiana Code 20-41-1-9 states in part: "Sec. 9 (a) The treasurer shall deposit all receipts ... without unreasonable delay."

DONATIONS (Applies to Brentwood and Van Buren Elementary Schools)

None of the gifts/donations made at Brentwood and Van Buren Elementary Schools were accepted by the Board of School Trustees.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
AUDIT RESULTS AND COMMENTS  
(Continued)

Cash donations that are extra-curricular in nature may be accounted for in the Extra-Curricular Account. Any School Corporation donations shall be accounted for in the school corporation records. The acceptance of these donations shall have prior approval by the Board of School Trustees. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 1)

DISBURSEMENTS (Applies Plainfield High School, Plainfield Community Middle School, and Brentwood and Van Buren Elementary Schools)

The following items were noted in the review of the purchase order and accounts payable voucher (Form SA-1) forms from each Extra-Curricular account.

Plainfield High School:

Fifteen forms did not have adequate supporting documentation attached.  
None of the forms were certified for the receipt of goods or services.

Plainfield Community Middle School:

Six forms did not have adequate supporting documentation attached.  
Seven forms were not certified for the receipt of goods or services.  
One form was not approved by the person authorized to purchase.

Brentwood Elementary School:

One form was not approved by the person authorized to purchase.

Van Buren Elementary School:

None of the forms were approved by the person authorized to purchase.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Indiana Code 5-11-10-1.6 states in part: "(a) As used in this section, 'governmental entity' refers to any of the following: . . . (2) A school corporation (as defined in IC 36-1-2-17), including a school extra-curricular account. . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services. (c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: (1) there is a fully itemized invoice or bill for the claim; (2) the invoice or bill is approved by the officer or person receiving the goods and services; (3) the invoice or bill is filed with the governmental entity's fiscal officer; (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

The Purchase Order and Accounts Payable Voucher (SA-1) . . . is to be executed in full and signed by the person authorized to purchase for the particular activity concerned. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE PLAINFIELD COMMUNITY SCHOOL  
CORPORATION, HENDRICKS COUNTY, INDIANA

Compliance

We have audited the compliance of the Plainfield Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2005 and 2006. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2005 and 2006.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirement(s) of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 11, 2006

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Years Ended June 30, 2005 and 2006

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-05	Total Federal Awards Expended 06-30-06
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	3330	\$ 25,588	\$ 26,161
National School Lunch Program	10.555	3330	<u>313,386</u>	<u>335,055</u>
Total for cluster			<u>338,974</u>	<u>361,216</u>
<u>U.S. DEPARTMENT OF NATIONAL ENDOWMENT FOR THE ARTS</u>				
Pass-Through Indiana State Library				
State Library Program	45.310	FY 03-04	<u>7,630</u>	<u>-</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I Grants to Local Education Agencies				
	84.010	04-3330	53,481	-
		05-3330	131,008	36,113
		06-3330	<u>-</u>	<u>110,721</u>
Total for program			<u>184,489</u>	<u>146,834</u>
Pass-Through MSD Wayne Township, Marion County				
Special Education - Grants to States				
	84.027	FY 03-04	54,682	-
		FY 04-05	369,016	77,532
		FY 05-06	<u>-</u>	<u>379,009</u>
Total for program			<u>423,698</u>	<u>456,541</u>
Pass-Through Indiana Department of Education				
Safe and Drug Free Schools and Communities - State Grants				
	84.186	02-228	9,810	-
		03-010	6,050	8,029
		04-127	-	8,028
		05-040	<u>-</u>	<u>3,385</u>
Total for program			<u>15,860</u>	<u>19,442</u>
State Grants for Innovative Programs				
	84.298	02-093	7,295	-
		03-095	16,777	1,500
		04-073	9,904	3,904
		05-147	<u>-</u>	<u>500</u>
Total for program			<u>33,976</u>	<u>5,904</u>
Education Technology State Grants				
	84.318	03-3330	3,935	1,381
		04-3330	<u>-</u>	<u>1,330</u>
Total for program			<u>3,935</u>	<u>2,711</u>
Improving Teacher Quality State Grants				
	84.367	03-165	48,324	-
		04-264	46,386	54,927
		05-070	<u>-</u>	<u>48,575</u>
Total for program			<u>94,710</u>	<u>103,502</u>
Emergency Impact Aid Program				
	84.938	FY 05-06	<u>-</u>	<u>33,000</u>
Total federal awards expended			<u>\$ 1,103,272</u>	<u>\$ 1,129,150</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Plainfield Community School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of School Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2005 and 2006. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2005	2006
School Breakfast Program	10.553	\$ 1,530	\$ 2,281
National School Lunch Program	10.555	32,761	28,042

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:  
 Material weaknesses identified? no  
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:  
 Material weaknesses identified? no  
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.027	Child Nutrition Cluster Special Education - Grants to States

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

PLAINFIELD COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2006, with Dr. Jerry R. Holifield, Superintendent of Schools; Jud Wolfe, Assistant Superintendent of Schools; and Felisia A. O'Bold, Treasurer.