

ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2015

DISTRICT/JOINT AGREEMENT NAME Frankfort CCSD #157-C	RCDT NUMBER 56-099157C-04	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 066-003910
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable)	NAME AND ADDRESS OF AUDIT FIRM Klein Hall CPAs 3973 75th Street, Suite 102 Aurora IL 60504	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 10482 Nebraska Street Frankfort , IL 60423	E-MAIL ADDRESS sklein@kleinhalcpa.com	
	NAME OF AUDIT SUPERVISOR Scott Klein	
	CPA FIRM TELEPHONE NUMBER 630-898-5578	FAX NUMBER 630-898-5593

THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE A-133 SINGLE AUDIT REPORT:

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes § .310 (a)
- Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- Independent Auditor's Report § .505
- 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* § .505
- 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 § .505
- Schedule of Findings and Questioned Costs § .505 (d)
- Summary Schedule of Prior Year Audit Findings § .315 (b)
- Corrective Action Plan § .315 (c)

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

- Copy of Federal Data Collection Form § .320 (b)
- Copy(ies) of Management Letter(s)



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Frankfort Community Consolidated School District 157-C
Frankfort, IL

Report on Compliance for Each Major Federal Program

We have audited Frankfort Community Consolidated School District 157-C's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of Frankfort Community Consolidated School District 157-C's major federal programs for the year ended June 30, 2015. Frankfort Community Consolidated School District 157-C's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Frankfort Community Consolidated School District 157-C's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Frankfort Community Consolidated School District 157-C'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Frankfort Community Consolidated School District 157-C's compliance.

Opinion on Each Major Federal Program

In our opinion, Frankfort Community Consolidated School District 157-C complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of Frankfort Community Consolidated School District 157-C is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Frankfort Community Consolidated School

District 157-C's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Frankfort Community Consolidated School District 157-C's internal control over compliance.

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

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

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Frankfort Community Consolidated Unit School District 157-C as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Frankfort Community Consolidated Unit School District 157-C's basic financial statements. We issued our report thereon dated September 3, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Klein Hall CPAs
Aurora, Illinois
September 3, 2015

ILLINOIS STATE BOARD OF EDUCATION
 Center for Fiscal and Shared Services
 Division of Financial Outreach Services
 100 North First Street
 Springfield, Illinois 62777-0001

(Attachment to ISBE 62-18)

COUNTY	Will
DISTRICT/JJOINT AGREEMENT NAME	Frankfort Community Unit School District #157-C
DISTRICT/JJOINT AGREEMENT NUMBER	56-099157C-04

LEA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor, Program Title and Major Program Designation	CFDA Number (A)	Project Number (1st 8 digits) or Contract # (B)	Receipts/Revenues		Expenditure/Disbursements		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7-1-13 to 6-30-14 (C)	7-1-14 to 6-30-15 (D)	7-1-13 to 6-30-14 (E)	7-1-14 to 6-30-15 (F)			
Department of Education:									
Passthrough agency: Illinois State Board of Education:									
Title I - Low Income	84.010A	14-4300-00	105,016	0	96,759	8,257	0	105,016	116,769
	84.010A	15-4300-00		60,637	0	99,650	0	99,650	99,650
Title II - Teacher Quality	84.367A	14-4932-00	20,185		20,185		0	20,185	20,185
	84.367A	15-4932-00		11,400		19,987	0	19,987	19,987
Passthrough agency: Lincoln Way Special Education IDEA Flow-through	84.027A	14-4620-00	369,241		369,241		0	369,241	377,241
(M)	84.027A	15-4620-00		395,538		395,538	0	395,538	401,916
Passthrough agency: Lincoln Way Special Education IDEA Preschool	84.173A	14-4600-00	10,630		10,630		0	10,630	10,630
(M)	84.173A	15-4600-00		10,221		10,221	0	10,221	10,221
Total Department of Education			505,072	477,796	496,815	533,653	0	1,030,468	

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(Attachment to ISBE 62-18)

COUNTY	Will
DISTRICT/JOINT AGREEMENT NAME	Frankfort Community Unit School District #157-C
DISTRICT/JOINT AGREEMENT NUMBER	56-099157C-04

LEA SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2015

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Federal Grantor/Pass-Through Grantor, Program Title and Major Program Designation	CFDA Number (A)	Project Number (1st 8 digits) or Contract # (B)	Receipts/Revenues		Expenditure/Disbursements		Obligations/ Encumbrances (G)	Final Status (H)	Budget (I)
			7-1-13 to 6-30-14 (C)	7-1-14 to 6-30-15 (D)	7-1-13 to 6-30-14 (E)	7-1-14 to 6-30-15 (F)			
Department of Agriculture:									
From Illinois State Board of Education: Special Milk	10.553	14-4215-00	25,717	6,020	25,717	6,020	0	31,737	N/A
	10.553	15-4215-00		25,417		25,417	0	25,417	N/A
Total Department of Agriculture			25,717	31,437	25,717	31,437	0	57,154	
Department of Health and Human Services:									
Illinois Department of Healthcare and Family Services; Medicaid Administrative Outreach	93.778	14-4992-00	27,079	10,552	37,631		0	37,631	N/A
	93.778	15-4992-00		23,753		23,753	0	23,753	N/A
Total Department of Health and Human Services			27,079	34,305	37,631	23,753	0	61,384	
Total Federal Awards			557,868	543,538	560,163	588,843	0	1,149,006	

(M) Major Program

The accompanying notes are an integral part of this schedule.

**Frankfort CCSD #157-C
56-099157C-04**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ending June 30, 2015**

Note 1: Basis of Presentation⁵

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Frankfort 157C and is presented on the Modified Accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the Basic financial statements.

Note 2: Subrecipients⁶

Of the federal expenditures presented in the schedule, Frankfort 157C provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipients
None		

Note 3: Non-Cash Assistance

The following amounts were expended in the form of non-cash assistance by Frankfort 157C and are not included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555)**:	\$0
OTHER NON-CASH ASSISTANCE	\$0

Note 4: Other Information

Insurance coverage in effect paid with Federal funds during the fiscal year:

Property	\$0
Auto	\$0
General Liability	\$0
Workers Compensation	\$0
Loans/Loan Guarantees Outstanding at June 30:	\$0
District had Federal grants requiring matching expenditures	No
	(Yes/No)

** The amount reported here should match the value reported for non-cash Commodities on the Indirect Cost Rate Computation page.

⁵ This note is included to meet the Circular A-133 requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule.

⁶ Circular A-133 requires the Schedule of Expenditures of Federal Awards to include, to the extent practical, an identification of the total amount provided to subrecipients, from each federal program. Although this example includes the required subrecipie information in the notes to the schedule, the information may be included on the face of the schedule as a separate column or section, if that is preferred by the auditee.

FRANKFORT COMMUNITY CONSOLIDATED SCHOOL DISTRICT 157-C
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ending June 30, 2015

NOTE 5. INSURANCE COVERAGES

The District is exposed to various risks for which it has purchased insurance from various sources. There was no insurance related to any federal assistance program.

No significant reductions in insurance coverage have occurred from the prior year, and no settlements have been made in the last three years which exceeded any insurance coverage.

NOTE 6. NON-CASH ASSISTANCE

The value of USDA commodities received has been reported on the schedule of federal financial assistance, if applicable. This is the only federal non-cash assistance program available to the District.

NOTE 7. LOANS OR LOAN GUARANTEES

No loans or loan guarantees that pertained to federal assistance programs were utilized during the year.

Frankfort CCSD #157-C
56-099157C-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified
 (Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? _____ YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? _____ YES X None Reported
- Noncompliance material to financial statements noted? _____ YES X NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? _____ YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? _____ YES X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified
 (Unmodified, Qualified, Adverse, Disclaimer⁷)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § .510(a)? _____ YES X NO

IDENTIFICATION OF MAJOR PROGRAMS:⁸

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee? X YES _____ NO

⁷ If the audit report for one or more major programs is other than unmodified, indicate the type of report issued for each program. Example: "Unmodified for all major programs except for [name of program], which was modified and [name of program], which was a disclaimer."

⁸ Major programs should generally be reported in the same order as they appear on the SEFA.

⁹ When the CFDA number is not available, include other identifying number, if applicable.

¹⁰ The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

**Frankfort CCSD #157-C
56-099157C-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015**

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2015-_____ 2. THIS FINDING IS: New Repeat from Prior Year?
 Year originally reported? _____

3. Criteria or specific requirement
 None

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

For ISBE Review	
Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

¹¹ A suggested format for assigning reference numbers is to use the digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2015 would be assigned a reference number of 2015-001, 2015-002, etc. The sheet is formatted so that only the number need be entered (1, 2, etc.).

¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

Frankfort CCSD #157-C
 56-099157C-04
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ending June 30, 2015

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ **2015-** _____ 2. THIS FINDING IS: New Repeat from Prior year?
 Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ 5. CFDA No.: _____

6. Passed Through: _____

7. Federal Agency: _____

8. Criteria or specific requirement (including statutory, regulatory, or other citation)
 None

9. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

For ISBE Review	
Date: _____	Resolution Criteria Code Number _____
Initials: _____	Disposition of Questioned Costs Code Letter _____

¹⁴ See footnote 11.
¹⁵ Include facts that support the deficiency identified on the audit finding.
¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.
¹⁷ See footnote 12.
¹⁸ To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

Frankfort CCSD #157-C
56-099157C-04
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2015

[If there are no prior year audit findings, please submit schedule and indicate NONE]

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status²⁰</u>
None		

When possible, all prior findings should be on the same page

¹⁹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

²⁰ Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.