

**FRANKFORT COMMUNITY UNIT
SCHOOL DISTRICT #168
WEST FRANKFORT, ILLINOIS**

**FINANCIAL REPORT
June 30, 2015**

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Frankfort Community Unit
School District #168
Frankfort, Illinois

We have audited the accompanying financial statements of the Frankfort Community Unit School District #168 which comprise the statement of cash and unencumbered cash balances as of June 30, 2015, and the related statement of revenues received and expenditures paid for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considered internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A-3, the financial statements are prepared by Frankfort Community Unit School District #168 on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Illinois State Board of Education.

A-1

HAROLD D. EMLING, CPA • DONALD L. HOFFMAN, CPA • MELISSA A. DENNIS, CPA • SARAH M. KARY, CPA

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note A-3 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

As discussed in Note A-5, detailed property records are not presently maintained; consequently, we are unable to express an opinion on the General Fixed Assets Account Group.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Frankfort Community Unit School District #168, as of June 30, 2015, or changes in financial position, or cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Frankfort Community Unit School District #168, as of June 30, 2015, and the revenues it received and expenditures it paid for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note A-3.

The District has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, Governmental Accounting Standards Board Statement 67 *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, and Governmental Accounting Standards Board Statement 68 *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

In our opinion, except for the effects of the omissions described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Frankfort Community Unit School District #168 as of June 30, 2015, and its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note A-3.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 15 through 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 statement. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Frankfort Community Unit School District #168's basic financial statements. The IL Municipal Retirement Fund Schedule of Funding Progress, IMRF Multiyear Schedule of Changes in Net Pension Liability and Related Ratios, IMRF Multiyear Schedule of Contributions, TRS Schedule of the Employer's Proportionate Share of the Net Pension Liability, TRS Schedule of Employer's Contributions, and the Activity Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Activity Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 Activity Funds are fairly stated in all material respects in relation to the basic financial statements as a whole.

The IL Municipal Retirement Fund Schedule of Funding Progress, IMRF Multiyear Schedule of Changes in Net Pension Liability and Related Ratios, IMRF Multiyear Schedule of Contributions, TRS Schedule of the Employer's Proportionate Share of the Net Pension Liability, and TRS Schedule of Employer's Contributions have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 12, 2015, on our consideration of Frankfort Community Unit School District #168's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Frankfort Community Unit School District #168's internal control over financial reporting and compliance.

The Summary of Funding Progress relative to the Illinois Municipal Retirement Fund 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 primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules listed in the table of contents as "Supplemental Information" are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of Frankfort Community Unit School District #168. The "Supplemental Information" and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

The 2014 comparative information shown in the Schedule of Expenditures of Federal Awards was subjected to auditing procedures applied by us and our report dated September 30, 2014, expressed an unqualified opinion that such information was fairly stated in all material respects in relation to the 2014 financial statements taken as a whole.

Restriction on Use

This report is intended solely for the information and use of management, Board of Education, others within the Frankfort Community Unit School District #168 and the Illinois State Board of Education and is not intended to be and should not be used by anyone other than these specified parties.



October 12, 2015
Nashville, Illinois



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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
Frankfort Community Unit
School District #168
Frankfort, 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 of Frankfort Community Unit School District #168, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Frankfort community Unit School District #168's basic financial statements, and have issued our report thereon dated October 12, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Frankfort Community Unit School District #168’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 Frankfort Community Unit School District #168’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Frankfort Community Unit School District #168’s internal control.

Our considerations of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. [Finding 2:2015-02]

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies. [Finding 1:2015-01]

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Frankfort Community Unit School District #168'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*.

Frankfort Community Unit School District #168's Response to Findings

Frankfort Community Unit School District #168's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Frankfort Community Unit School District #168's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

This report is intended solely for the information and use of the Board of Education, management, the Illinois State Board of Education, 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.



October 12, 2015
Nashville, Illinois



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of Education
Frankfort Community Unit
School District #168
Frankfort, Illinois

Report on Compliance for Each Major Federal Program

We have audited Frankfort Community Unit School District #168's compliance with the types of compliance requirements described in the *(OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Frankfort Community Unit School District #168's major federal programs for the year ended June 30, 2015. Frankfort Community Unit School District #168'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 Unit School District #168'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 Unit School District #168'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 Unit School District #168's compliance.

Opinion on Each Major Federal Program

In our opinion, Frankfort Community Unit School District #168 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 Unit School District #168, 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 Unit School District #168's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine the 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 Unit School District #168'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 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.

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.



October 12, 2015
Nashville, Illinois

Notes to Financial Statements

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168

Notes to Financial Statements

June 30, 2015

NOTE A - Summary of Significant Accounting Policies

Frankfort Community Unit School District #168 (the "District"), is a school district located in Franklin County, Illinois and was formed under the provisions of the State of Illinois. The school district is governed by the Board of Trustees. The financial statements of the school district have been prepared in conformity with the accounting principles required by the Illinois State Board of Education.

The District's accounting policies conform to the cash basis accounting as defined by the Illinois State Board of Education Audit Guide.

1. The Reporting Entity

The District's reporting entity includes the District's governing board and all related organizations for which the district exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities, which benefit the citizens of the district, including joint agreements, which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

2. Financial Statements

Financial information of the District is presented as follows:

a. Basic Financial Statements

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, revenue received and expenditures disbursed. The District maintains individual funds required by the State of Illinois. The various funds are summarized by type in the financial statements. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the District:

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
June 30, 2015

NOTE A - Summary of Significant Accounting Policies - Continued

2. Financial Statements – Continued

b. Governmental Fund Types

Government funds are those through which most governmental functions of the District are financed. The acquisition, use and balances of the District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

- The General Fund, which consists of the Educational Fund and the Operations and Maintenance Fund, is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Special Education is included in these funds.
- Special Revenue Funds, which include the Transportation Fund, Illinois Municipal Retirement/Social Security Fund, Tort Fund and Fire Prevention and Safety Fund, are used to account for cash received from specific sources (other than those accounted for in the Debt Services Fund, Capital Projects Funds or Fiduciary Funds) that are legally restricted to cash disbursements for specified purposes.
- The Debt Services Fund, (Bond and Interest Fund) accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.
- The Capital Projects Fund, (Site and Construction) accounts for financial resources to be used for the acquisition or construction of major capital facilities.

c. Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

- The Expendable Trust Fund, (Working Cash Fund) accounts for financial resources held by the District to be used for temporary interfund loans to the General Fund and Transportation Fund.
- The Agency Funds, (Activity Funds) include both Student Activity Funds and Convenience Accounts. They account for assets held by the District as an agent for the students and teachers. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations are equal to the assets.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168

Notes to Financial Statements - Continued

June 30, 2015

NOTE A - Summary of Significant Accounting Policies - Continued

2. Financial Statements – Concluded

d. Notes to the Basic Financial Statements

The notes to the basic financial statements provide information that is essential to an understanding of the data in the basic financial statements.

e. Required Supplementary Information

Required Supplementary Information presents budgetary comparison information for each of the major governmental funds.

f. Notes to Required Supplementary Information

Notes to Required Supplementary Information provide information about the District's budgeting process, dates, and outcomes.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Basis of accounting refers to the time when revenues received and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurement made, regardless of the measurement focus applied. The cash basis of accounting is followed by all funds of Frankfort Community Unit School District #168, which is a special purpose framework of accounting other than generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB). Under the cash basis of accounting, revenues are recorded when received and expenditures are recorded when paid. In accordance with GAAP, governmental fund types utilize the modified accrual basis of accounting, while the remainder of the funds and the government-wide financial statements utilize the full accrual basis of accounting. Major differences between the presentation contained in this annual financial report and GAAP include revenue and expense (or expenditure) recognition, the lack of receivables, capital and other long-term assets, deferred outflows of resources, liabilities, deferred inflows of resources, and long-term liabilities including debts of all types including leases, net pension liabilities, and net other post-employment benefit obligations.

The quantitative difference between GAAP and what is presented in Frankfort Community Unit School District #168's annual financial report is not available.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
June 30, 2015

NOTE A - Summary of Significant Accounting Policies - Continued

4. Deposits and Investments

The District considers all cash on hand, cash in banks and investments with a maturity date of twelve months or less when purchased to be cash.

Investments are stated at cost, which approximates market value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education. See Note G.

5. Capital Assets

Fixed assets have been originally valued at a market value appraisal with subsequent additions recorded at cost. Due to lack of detailed record of all asset costs and valuations, retirements and trade-ins have not been removed from the recorded valuations. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). See Note H.

6. Taxes Receivable

Taxes receivable are reported at gross value and, when appropriate, are reduced by estimated portion expected to be uncollectible. Taxes receivable include amounts for property taxes due from the 2014 tax levy, enforceable by lien, but not yet collected. The amounts estimated due from the 2014 levy have not been recorded. The 2014 tax levy was passed by the board on December 15, 2014. The amount of the receivable would be \$2,940,167.

7. Accumulated Absences

The District currently provides for paid absences for all employees. See Note O.

8. Post-Employment Benefits

The District currently provides post-employment benefits. Teachers Retirement System (TRS) is provided for certified teachers. Illinois Municipal Retirement Fund (IMRF) is provided for the non-certified employees. See Note I.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168

Notes to Financial Statements - Continued

June 30, 2015

NOTE A - Summary of Significant Accounting Policies - Concluded

9. Fund Balances

Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; and the difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflow of resources is referred to as fund balance. See Note U.

In the fund financial statements, governmental funds report up to five components of fund balance from most restrictive in nature to least restrictive:

- *Nonspendable* – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- *Restricted* – included fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors and grantors, or amounts constrained due to constitutional provisions or enabling legislation.
- *Committed* – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority (governing board). The same formal action must be taken to remove or change the limitations placed on the funds.

The District Board authorized and approves the property tax levies annual providing a “committed” balance for property tax revenues. In addition, the District Board must approve any action to modify or rescind a fund balance commitment.

- *Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned – includes positive fund balance within the Educational Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
 June 30, 2015

NOTE B - Property Taxes

The District's property tax is levied each year on all taxable real property located in the District on the last Tuesday in December. The 2013 levy was passed by the Board on December 16, 2013. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments. August 15, 2014 and October 15, 2014. The District receives significant distributions of tax receipts on August 18, 2014, October 16, 2014, January 6, 2015, and March 5, 2015. Taxes recorded in these financial statements are from the 2013 and prior tax levies.

The District receives property taxes from Franklin County and Williamson County.

	<u>Maximum Rate</u>	<u>2013 Levy</u>	<u>2012 Levy</u>	<u>2011 Levy</u>
Assessed Valuation		\$ 81,453,126	\$ 81,133,279	\$ 80,258,835
<u>Tax Rates</u>				
Education	4.0000	1.8078	1.8688	1.9598
Tort Immunity	None	0.2083	0.1897	0.1849
Special Education	0.8000	0.0361	0.0376	0.0392
Building	0.7500	0.3389	0.3526	0.3675
Fire Prevention and Safety	0.1000	0.0452	0.0470	0.0490
Transportation	None	0.1808	0.1880	0.1960
Municipal Retirement	None	0.2083	0.1844	0.1900
Bond and Interest	None	0.0000	0.0000	0.2254
Working Cash	0.0500	0.0424	0.0427	0.0476
Social Security	None	0.2083	0.1844	0.1900
TOTAL		<u>3.0761</u>	<u>3.0952</u>	<u>3.4494</u>
<u>Extensions</u>				
Education		\$ 1,472,510	\$ 1,517,799	\$ 1,572,913
Tort Immunity		169,667	153,910	148,399
Special Education		29,405	30,506	31,461
Building		276,045	286,076	294,951
Fire Prevention and Safety		36,816	38,133	39,327
Transportation		147,267	152,531	157,307
Municipal Retirement		169,667	148,610	152,492
Bond and Interest		-	-	180,903
Working Cash		34,536	34,644	38,203
Social Security		169,667	149,610	152,492
TOTAL		<u>\$ 2,505,580</u>	<u>\$ 2,511,819</u>	<u>\$ 2,768,448</u>
<u>Collections</u>				
Education		\$ 1,464,231	\$ 1,521,973	\$ 1,568,185
Tort Immunity		168,714	153,546	147,958
Special Education		29,243	30,434	31,368
Building		274,495	285,399	294,053
Fire Prevention and Safety		36,609	38,038	39,205
Transportation		146,438	152,167	156,839
Municipal Retirement		168,713	149,266	152,028
Bond and Interest		-	-	181,347
Working Cash		33,081	34,556	38,119
Social Security		168,713	149,266	152,028
TOTAL		<u>\$ 2,490,237</u>	<u>\$ 2,514,645</u>	<u>\$ 2,761,130</u>

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
 June 30, 2015

NOTE C- Special Tax Levies & Restricted Equity

1. Tort Immunity

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Education Fund. A portion of this fund's equity represents the excess of cumulative receipts over cumulative disbursements, which is restricted for future tort immunity disbursements in accordance with Chapter 85, Paragraphs 9-101 to 9-107 of the *Illinois Revised Statutes*.

2. Special Education

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Education Fund. A portion of the funds' equity represents the excess of cumulative receipts over cumulative disbursements, which is restricted for future special education disbursements in accordance with Chapter 122, Paragraph 17-2.2A of the *Illinois Revised Statutes*.

3. Fire and Safety Tax Levy

Cash receipts and the related cash disbursements of the restricted tax levy are accounted for in the Operations and Maintenance Fund. There is no excess of cumulative receipts over cumulative disbursements, which is restricted for future fire prevention and safety project disbursements in accordance with Paragraph 17-2.11 of the *Illinois Revised Statutes*.

NOTE D – Interfund Receivable and Payables

The following interfund receivables and payables were outstanding between the funds for the year end June 30, 2015.

	Due From	Due To
Transportation Fund	\$ 0	\$ 60,000
Building Fund	60,000	0
Total	\$ 60,000	\$ 60,000

Board approved an interfund loan of \$60,000 from Transportation Fund to the Building Fund to replenish cash balance.

FRANKFORT COMMUNITY HIGH SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
 June 30, 2015

NOTE E - Interfund Operating Transfers

There were no transfers were made between the funds for the year end June 30, 2015.

NOTE F— Fund Equity

At June 30, 2015, the followings funds had a deficit in the fund balance:

Education Fund	Transportation Fund
----------------	---------------------

NOTE G - Deposits & Investments

The District is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30ILCS235) and of the *School Code of Illinois*, Section 8-7.

1. Deposits

As of June 30, 2015, the carrying amount of the District's deposits was \$1,622,007 and the bank balance \$2,038,079. The deposits are categorized in accordance with risk factors created by governmental reporting standards.

	CATEGORY			Bank Balance	Book Balance
	1	2	3		
Banterra Bank	\$ 250,000	\$ 1,481,781	\$ 0	\$ 1,731,781	\$ 1,332,666
First Bank	250,000	56,298	0	306,298	289,341
Total	\$ 500,000	\$ 1,538,079	\$ 0	\$ 2,038,079	\$ 1,622,007

Category #1 includes deposits covered by depositing insurance or collateral held by the District in the District's name.

Category #2 includes deposits covered by collateral held by the financial institution's trust department in the District's name.

Category #3 includes deposits which are uncollateralized or for which the collateral is held by the financial institution's trust department, but not in the District's name.

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
 June 30, 2015

NOTE G - Deposits & Investments - Continued

1. Deposits - Concluded

Occasionally, certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the School Board.

The General cash account can be drawn on by the Education, Operations and Maintenance, Transportation, Municipal Retirement/Social Security, Capital Projects, Working Cash, Tort, and Fire Prevention and Safety Funds.

The balances by fund at June 30, 2015, are as follows:

Education	\$	(601,959)
Operations and Maintenance		23,167
Transportation		2,483
Municipal Retirement/Social Security		5,621
Capital Projects		959,029
Working Cash		39,150
Tort		284
Fire Prevention and Safety		<u>205,802</u>
Balance in the account	\$	<u>633,577</u>

2. Investments

The District's investment policy allows it to invest in the following:

District funds not necessary for current operating expenses of the school system may be invested in obligations of the United States of America or in Certificates of Deposit issued by local banks as approved and authorized by the board of Education.

When District monies are invested in a bank or a savings and loan association, procedures mandated by Illinois State statute shall be followed regarding the insuring of such investments.

The District's investment policy is within guidelines established by the School Code of Illinois.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168

Notes to Financial Statements - Continued

June 30, 2015

NOTE G - Deposits & Investments - Continued

2. Investments - Concluded

Category #1 Insured or registered, or securities or collateral held by the District in the District's name.

Category #2 Uninsured and unregistered, with securities held by the financial institution's trust department in the District's name.

Category #3 Uninsured and unregistered, with securities held by the financial institution's trust department, but not in the District's name.

The School District estimates that the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position.

NOTE H - Changes in Capital Assets

A summary of changes in Capital Assets are as follows:

	Balance 07/01/14	Additions	Deletions	Balance 07/01/15
Land	\$ 218,267	\$ 0	\$ 0	\$ 218,267
Permanent Buildings	21,279,165	0	0	21,279,165
Improvements Other Than Buildings	3,276,348	250,000	0	3,526,348
Capitalized Equipment – 10 Year	3,743,327	18,158	0	3,761,485
Capitalized Equipment – 5 Year	109,784	0	0	109,784
Total	\$ 28,626,891	\$ 268,158	\$ 0	\$ 28,895,049

	Life
Transportation Equip	5 Years
Buildings	50 Years
Land Improvements	20 Years
Other Equipment	10 Years
Land	N/A

Although depreciation is not included in the fund expenses, depreciation of \$675,343 was included in the calculation of the per capita tuition charge computation as reported in the supplemental information.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168

Notes to Financial Statements - Continued

June 30, 2015

NOTE I - Retirement Fund Commitments

See Note A-3 in these Notes to Financial Statements for understanding why the school district does not report certain revenues and expenses (or expenditures), receivables, capital and other long-term assets, deferred outflows of resources, liabilities, deferred inflows of resources, and long-term liabilities including debts of all types including leases, net pension liabilities, and net other post-employment benefit obligations. The quantitative difference between GAAP and what is presented in Frankfort Community Unit School District #168's annual financial report is not available.

The retirement fund commitments for Frankfort Community Unit School District #168 are disclosed below.

1. Illinois Teachers' Retirement System

General Information about the Pension Plan

Plan Description

The School District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <http://trs.illinois.gov/pubs/cafr>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 877-0890, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I Members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different than Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
June 30, 2015

NOTE I - Retirement Fund Commitments - Continued

1. Illinois Teachers' Retirement System - Continued

Contributions

The State of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for year 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions for active members and TRS contributing employers are also required by the Illinois Pension code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2015, was 9.4 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the district. For the year ended June 30, 2015, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of \$2,705,427 in pension contributions for the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contributions rate is specified by statute. Contributions for the year ended June 30, 2015 were \$47,550, and are deferred because they were paid after the June 30, 2014 measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the district, there is a statutory requirement for the district to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that has been in effect since the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS. Public Act 98-0674 now requires the two rates to be the same.

For the year ended June 30, 2015, the employer pension contribution was 35.41 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2015, salaries totaling \$179,125 were paid from federal and special trust funds that required employer contributions of \$59,111. These contributions are deferred because they were paid after the June 30, 2014 measurement date.

Employer retirement cost contribution. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the member's age and salary. The maximum employer ERO contribution under the current program is 146.50 percent and applies when the member is age 55 at retirement. For the year ended June 30, 2015, the employer paid \$0 to TRS for employer ERO contributions.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168

Notes to Financial Statements - Continued

June 30, 2015

NOTE I - Retirement Fund Commitments - Continued

1. Illinois Teachers' Retirement System -- Continued

The employer is also required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2015, the employer paid \$0 to TRS for employer contribution due on salary increases in excess of 6 percent and \$0 for sick leave days granted in excess of the normal annual allotment.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

A June 30, 2015, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follow:

Employer's proportionate share of the net pension liability	\$ 2,124,751
State's proportionate share of the net pension liability associated with the employer	<u>52,109,368</u>
Total	<u>\$ 54,234,119</u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013, and rolled forward to June 30, 2014. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2014, relative to the projected contributions for all participating TRS employers and the state during that period. At June 30, 2014, the employer's proportion was 0.0034913097 percent.

The net pension liability as of the beginning of this first measurement period under GASB Statement No. 68 was measured as of June 30, 2013, and the total pension liability was based on the June 30, 2013 actuarial valuation without any roll-up. The employer's proportion of the net pension liability as of June 30, 2013, was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2013, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2013, the employer's proportion was 0.0037653435 percent.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
 June 30, 2015

NOTE I - Retirement Fund Commitments - Continued

1. Illinois Teachers' Retirement System - Continued

For the year ended June 30, 2015, the employer recognized pension expense of \$4,195,357 and revenue of \$4,195,357 for support provided by the state. At June 30, 2015, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,122	\$ 0
Net difference between projected and actual earnings on pension plan investments	0	106,785
Changes in assumptions	0	0
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	138,149
Employer contributions subsequent to the measurement date	<u>106,661</u>	<u>0</u>
Total	<u>\$ 107,783</u>	<u>\$ 244,934</u>

\$106,661 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30.:</u>	
2016	\$ (59,955)
2017	\$ (59,955)
2018	\$ (59,955)
2019	\$ (3,991)
2020	N/A

Actuarial Assumptions

The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 percent
Salary increases	5.75 percent, average, including inflation
Investment rate of return inflation	7.50 percent, net of pension plan investment expense, including inflation

Mortality rate were based on the RP-2000 White Collar Table with projections using scale AA that vary by member group.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
 June 30, 2015

NOTE I - Retirement Fund Commitments - Continued

1. Illinois Teachers' Retirement System – Continued

For GASB disclosure purposes, the actuarial assumptions for the years ended June 30, 2014 and 2013 were assumed to be the same. However, for funding purposes, the actuarial valuations for those two years were different. The actuarial assumptions used in the June 30, 2014 valuation were based on updates to economic assumptions adopted in 2014 which lowered the investment rate of return assumption from 8.0 percent to 7.5 percent. The salary increase and inflation assumptions were also lowered. The actuarial assumptions used in the June 30, 2013 valuation were based on the 2012 actuarial experience analysis and first adopted in the June 30, 2012 valuation. The investment return was lowered from 8.5 percent to 8.0 percent and the salary increase and inflation assumptions were also lowered. Mortality assumptions were adjusted to anticipate continued improvement in mortality.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class were used by the actuary are summarized in the following table:

Asset Class	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap	18%	8.23%
Global equity excluding the U.S.	18%	8.58%
Aggregate bonds	16%	2.27%
U.S. TIPS	2%	3.52%
NCREIF	11%	5.81%
Opportunistic real estate	4%	9.79%
ARS	8%	3.27%
Risk parity	8%	5.57%
Diversified inflation strategy	1%	3.96%
Private equity	14%	13.03%
Total	<u>100%</u>	

Discount rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
 June 30, 2015

NOTE I - Retirement Fund Commitments - Continued

1. Illinois Teachers' Retirement System – Concluded

Based on those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. Therefore, the long term expected rate of return of TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability	\$ 2,623,963	\$ 2,124,751	\$ 1,711,346

TRS fiduciary net position

Detailed information about the TRS's fiduciary net position as of June 30, 2014 is available in the separately issued TRS Comprehensive Annual Financial Report.

2. Illinois Teachers' Retirement System – THIS Fund

The School District participates in the Teacher Health Insurance Security (THIS) Fund, a cost sharing, multiple-employer defined benefit post employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
June 30, 2015

NOTE I - Retirement Fund Commitments – Continued

1. Illinois Teachers' Retirement System – THIS Fund – Concluded

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefits provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS Fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the district. State contributions are intended to match contributions to THIS Fund from active members which were 1.02 percent of pay during the year ended June 30, 2015. State of Illinois contributions were \$83,622, and the district recognized revenue and expenditures of this amount during the year.

Employer contributions to THIS Fund. The School District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.76 percent during the year ended June 30, 2015. For the year ended June 30, 2015, the district paid \$62,307 to the THIS Fund, which was 100 percent of the required contribution.

Further information on THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp> The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

3. Illinois Municipal Retirement Fund

Plan Description

The School District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
 June 30, 2015

NOTE I - Retirement Fund Commitments – Continued

3. Illinois Municipal Retirement Fund - Continued

Funding Policy

As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The School District annual required contribution rate for calendar year 2014 was 11.92 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

The required contribution for calendar year 2014 was \$243,658.

Three-Year Trend Information for the Regular Plan

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/14	243,658	100%	\$ 0
12/31/13	255,732	100%	0
12/31/12	240,690	100%	0

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at the December 31, 2012, is being amortized as a level percentage of projected payrolls on an open 29 year basis.

Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 68.52 percent funded. The actuarial accrued liability for benefits was \$4,534,140 and the actuarial value of assets was \$3,106,580, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,427,560. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$2,044,113 and the ratio of the UAAL to the covered payroll was 70 percent.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
 June 30, 2015

NOTE I - Retirement Fund Commitments – Continued

3. Illinois Municipal Retirement Fund - Continued

Funded Status and Funding Progress - Concluded

The schedule of funding progress, presented as required supplemental information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

<u>Executive Summary</u>	
Actuarial Valuation Date	December 31, 2014
Measurement Date of the Net Pension Liability	December 31, 2014
Membership	
Number of:	
Retirees and Beneficiaries	66
Inactive, Non-Retired Members	46
Active Members	80
Total	<u>192</u>
Net Pension Liability	
Total Pension Liability/(Asset)	\$ 10,322,112
Plan Fiduciary Net Position	<u>9,426,312</u>
Net Pension Liability/(Asset)	<u>\$ 895,800</u>
Total Pension Expense/(Income)	<u>\$ 244,754</u>

Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension

<u>Expenses</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 41,550	\$ 0
Changes in assumptions	362,361	0
Net difference between projected and actual earnings on pension plan investments	<u>102,926</u>	<u>0</u>
Total	<u>\$ 506,837</u>	<u>\$ 0</u>

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168

Notes to Financial Statements - Continued

June 30, 2015

NOTE I - Retirement Fund Commitments - Continued

3. Illinois Municipal Retirement Fund - Continued

Schedule of Changes in Net Pension Liability and Related Ratios

A. Total Pension Liability	\$	253,309
1. Service Cost		692,577
2. Interest on the Total Pension Liability		0
3. Changes of benefit terms		
4. Difference between expected and actual experience of the Total Pension Liability		56,680
5. Changes of assumptions		494,316
6. Benefit payments, including refunds of employee contributions		(564,944)
7. Net change in total pension liability	\$	931,938
8. Total pension liability-beginning		9,390,174
9. Total pension liability-ending	\$	<u>10,322,112</u>
B. Plan fiduciary net position	\$	231,676
1. Contributions-employer		92,262
2. Contributions-employee		542,521
3. Net investment income		
4. Benefit payments, including refunds of employee contributions		(564,944)
5. Other (Net Transfer)		110,508
6. Net change in plan fiduciary net position	\$	412,023
7. Plan fiduciary net position-beginning		9,014,289
8. Plan fiduciary net position-ending	\$	<u>9,426,312</u>
C. Net Pension Liability/(Asset)		<u>\$ 895,800</u>
D. Plan Fiduciary net position as a percentage of the total pension liability		91.32%

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption

	1% Decrease 6.48%	Current Single Discount Rate Assumption 7.48%	1% Increase 8.48%
Total Pension Liability	\$ 11,554,247	\$ 10,322,112	\$ 9,289,360
Plan Fiduciary Net Position	9,426,312	9,426,312	9,426,312
Net Pension Liability/(Asset)	\$ 2,127,935	\$ 895,800	\$ (136,948)

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168

Notes to Financial Statements - Continued

June 30, 2015

NOTE I - Retirement Fund Commitments – Continued

3. Illinois Municipal Retirement Fund - Continued

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2014 Contribution Rate
(Based on Valuation Assumptions used in the December 31, 2012 actuarial valuation)

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine 2014 Contribution Rates:

Actuarial Cost Method

Aggregate Entry Age Normal

Amortization Method

Level Percentage of Payroll, Closed

Remaining Amortization Period

Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 29-year closed period until remaining period reaches 15 years (then 15-year rolling period).

Early Retirement Incentive Plan Liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 24 years for most employers (two employers were financed over 33 years).

Asset Valuation Method

5-Year smoothed market; 20% corridor

Wage growth

4.00%

Price Inflation

3.0% -- approximate; No explicit price inflation assumption is used in this valuation.

Salary Increases

4.40% to 16.00% including inflation

Investment Rate of Return

7.50%

Retirement Age

Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008 – 2010.

Mortality

RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projections scale AA. For men 120% of the table rates were used. For women 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Other Information:

Notes

There were no benefit changes during the year.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168

Notes to Financial Statements - Continued

June 30, 2015

NOTE I - Retirement Fund Commitments – Continued

3. Illinois Municipal Retirement Fund – Continued

Summary of Actuarial Methods and Assumptions Used in the Calculation of the Total Pension Liability

Methods and Assumptions Used to Determine Total Pension Liability:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Inflation	3.5%
Price Inflation	2.75%
Salary Increases	3.75% to 14.50% including inflation
Investment Rate of Return	7.48%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011 – 2013.
Mortality	For non-disable retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disable Retirees Mortality Table applying the same adjustments that were applied for non-disable lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP_2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other Information:

Notes

There were no benefit changes during the year.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2014 Illinois Municipal Retirement Fund annual actuarial valuation report.

Single Discount Rate

This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a “risk-free” rate is required, as described in the following paragraph.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
 June 30, 2015

NOTE I - Retirement Fund Commitments – Concluded

3. Illinois Municipal Retirement Fund – Concluded

Single Discount Rate - Concluded

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.5%; the municipal bond rate is 3.56%; and the resulting single discount rate is 7.48%.

4. Social Security

Employees not qualifying for coverage under the Illinois Teacher's Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement fund are covered under Social Security. The District paid \$137,751, the total required contribution for the current fiscal year.

NOTE J - Short Term Debt

On March 13, 2015, the School District established a line of credit with Banterra Bank, allowing the bank to borrow up to \$1,475,000. The interest rate on this line of credit is 2.95% per annum. Repayment of these borrowings is expected to be made within 60 days after the property tax revenues have been received by the Board of Education. The school district had borrowed \$600,000 as of June 30, 2015. No payments were made during the year.

	<u>July 1, 2014</u>	<u>New Debt</u>	<u>Principal Paid</u>	<u>June 30, 2015</u>
Line of Credit	\$ 725,000	\$ 600,000	\$ 725,000	\$ 600,000

NOTE K - Bonds Payable

At June 30, 2015, the Frankfort Community Unit School District #168 has debt of:

	<u>July 1, 2014</u>	<u>New Debt</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>June 30, 2015</u>
Bonds Outstanding	\$ 2,840,000	\$ 0	\$ 230,000	\$ 406,209	\$ 2,610,000

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
 June 30, 2015

NOTE K - Bonds Payable - Concluded

As of June 30, 2015, the school district had general obligation bond requirements as follows:

On July 20, 2004, the District entered into a bond agreement for refunding of the outstanding portion of the 1998 Limited School Bond issue. The amount of the bond issue was \$4,245,000 of which \$910,000 was used for the refunding of the 1998 issue.

NOTE L - Debt Requirements

The annual requirements to amortize all debt outstanding at June 30, 2015, including interest payments of \$622,382 are as follows:

2004 Bond Issue

Issued August 1, 2004

<u>Fiscal Year</u> <u>Ended</u>	<u>Bond</u> <u>Maturities</u>	<u>Interest</u> <u>Requirements</u>	<u>Total</u>
2016	\$ 240,000	\$ 119,968	\$ 359,968
2017	250,000	109,185	359,185
2018	260,000	97,773	357,773
2019	275,000	85,666	360,666
2020	285,000	72,855	357,855
2021	300,000	58,650	358,650
2022	315,000	42,968	357,968
2023	335,000	26,392	361,392
2024	350,000	8,925	358,925
	<u>\$ 2,610,000</u>	<u>\$ 622,382</u>	<u>\$ 3,232,382</u>

NOTE M - Schedule of Legal Debt Margin

The Illinois School Code limits the amount of indebtedness to 13.8% if the most recent available equalized assessed valuation of the District.

Assessed Valuation - 2014 Tax Levy	<u>\$ 87,424,446</u>
Debt Limit	\$ 12,064,573
13.8% of Assessed Valuation	
Less: Loans Outstanding	600,000
Bonded Indebtedness Outstanding	<u>2,610,000</u>
Total Debt	<u>(3,210,000)</u>
Debt Margin	<u>\$ 8,854,573</u>

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
June 30, 2015

NOTE N - Risk Management

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the year ended June 30, 2015, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.

NOTE O- Compensated Absences

Non-certified employees earn two weeks of vacation after working one year and three weeks after working ten years, which varies according to contract. All vacation is to be used during the twelve months after being earned.

Sick leave is earned at the rate of thirteen days per year. Maximum accumulation is 180 days. Employees also receive 3 personal days each year and 3 bereavement days. The personal days are added to sick leave at the end of the year if they are not used. Any accumulated sick leave is forfeited upon termination of employment. Any unused bereavement days are forfeited if not used at end of year.

Certified employees earn thirteen sick days per year. Maximum accumulation is 180 days. Certified employees also receive 3 personal days, 3 bereavement days, and 4 conference days. The personal days are added to sick leave at the end of the year if not used. The bereavement and conference days are forfeited if not used at end of year.

NOTE P - Definition of "Activity Funds" & "Trust & Agency Funds"

The term "Activity Funds" as it is used in this report includes student activity funds, convenience accounts, and trust and agency funds:

Student Activity Funds - Student activity funds are those which are owned, operated, and managed generally by the student body under the guidance and direction of adults or a staff member for educational, recreational, and cultural purposes. Although the Board of Education has the ultimate responsibility for student activity funds, they are not local education agency funds.

Convenience Accounts - Convenience accounts are those normally maintained by a local education agency as a convenience for its faculty, staff, parent-teacher association, etc. Although the Board of Education has the ultimate responsibility for convenience account monies, they are not local education agency funds.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Financial Statements - Continued
June 30, 2015

NOTE P - Definition of "Activity Funds" & "Trust & Agency Funds" - Concluded

Trust and Agency Funds - Trust and agency funds are local education agency funds. It is permissible for a school district to choose to handle certain regular district funds through its activity fund accounting system as trust and agency funds on a temporary basis. Trust and agency funds are not to be carried forward from one fiscal year to another.

State Regulations - The State Board of Education and the Illinois Office of Education (IOE) have prescribed accounting guidelines for activity funds in a publication entitled Rules and Regulations and Fiscal Procedures for the Operation of Local Education Agencies' Student Activity Funds, Convenience Accounts, and trust and Agency Funds.

NOTE Q - Commitments & Contingencies

The District has received funding from state and federal grants in the current and prior years which are subject to audits by the granting agencies. The school board believes any adjustments that may arise from those audits will be insignificant to district operations.

NOTE R - Tax Anticipation Notes and Warrants

The District has no outstanding tax anticipation notes or warrants as of June 30, 2015. The District opted to issue a line of credit instead. Details are provided in Note J.

NOTE S – Economic Dependence

The District is fiscally dependent on funding from Federal and State of Illinois sources. Due to State of Illinois financial restraints, state payment delays or eliminations are possible for the fiscal year ending June 30, 2016. Changes in the amounts received, or timing of amounts received, from the state of Illinois, could result in cash flow problems for the District, and may require budget amendments and cuts of services.

NOTE T - Subsequent Events

The District has evaluated subsequent events through October 12, 2015, the date which the financial statements were available to be issued.

Frankfort Community Unit School District #168

Notes to Financial Statements - Concluded

June 30, 2015

NOTE U - Components of Fund Balance

The following presents the various components of fund balance within the governmental funds.

	Major Funds								Total Governmental Funds	
	Educational Fund	Operation and Maintenance Fund	Debt Services Fund	Transportation Fund	IMRF/ Social Security Fund	Capital Projects Fund	Working Cash Fund	Tort Fund		Fire Prevention and Safety Fund
Restricted										
Capital Projects	-	-	-	-	-	959,029	-	-	-	959,029
Debt Service	-	-	1,310	-	-	-	-	284	-	1,310
Insurance Liability	-	-	-	-	5,621	-	-	-	-	284
Retirement	-	-	-	-	5,621	959,029	-	284	-	5,621
Total Restricted	-	-	1,310	-	5,621	959,029	-	284	-	966,244
Committed										
Building Maintenance	-	-	-	-	-	-	-	-	205,802	205,802
Working Cash	-	-	-	-	-	-	178,550	-	-	178,550
Total Committed	-	-	-	-	-	-	178,550	-	205,802	384,352
Assigned										
Building Maintenance	-	215,167	-	-	-	-	-	-	-	215,167
Transportation	-	-	-	(172,517)	-	-	-	-	-	(172,517)
Total Assigned	-	215,167	-	(172,517)	-	-	-	-	-	42,650
Unassigned										
Educational Services	(751,402)	-	-	-	-	-	-	-	-	(751,402)
Total Unassigned	(751,402)	-	-	-	-	-	-	-	-	(751,402)
Total Governmental Fund Balances	\$ (751,402)	\$ 215,167	\$ 1,310	\$ (172,517)	\$ 5,621	\$ 959,029	\$ 178,550	\$ 284	\$ 205,802	\$ 641,844

Required Supplementary Information

Frankfort Community Unit School District #168
IL Municipal Retirement Fund - Schedule of Funding Progress
 June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/14	3,106,580	4,534,140	1,427,560	68.52%	2,044,113	69.84%
12/31/13	2,944,624	4,229,998	1,285,374	69.61%	2,032,845	63.23%
12/31/12	3,259,216	4,601,122	1,341,906	70.84%	1,961,616	68.41%

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$3,976,497. On a market basis, the funded ratio would be 87.70%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Frankfort CUSD 168. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

See accompanying notes to required supplementary information.

Frankfort Community Unit School District #168
IMRF - Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
 June 30, 2015

Last 10 Calendar Years
 (Schedule to be built prospectively from 2014)

Calendar Year Ending December 31,	<u>2014</u>	<u>2013 - 2005</u>
Total Pension Liability	\$ 253,309	N/A
Service Cost	692,577	N/A
Interest on the Total Pension Liability	-	N/A
Benefit Changes	56,680	N/A
Difference Between Expected and Actual Experience	494,316	N/A
Assumption Changes	(564,944)	N/A
Benefit Payments and Refunds	931,938	N/A
Net Change in Total Pension Liability	9,390,174	N/A
Total Pension Liability-Beginning	\$ 10,322,112	N/A
Total Pension Liability-Ending (a)		
 Plan Fiduciary Net Position		
Employer Contributions	\$ 231,676	N/A
Employee Contributions	92,262	N/A
Pension Plan Net Investment Income	542,521	N/A
Benefit Payments and Refunds	(564,944)	N/A
Other	110,508	N/A
Net Change in Plan Fiduciary Net Position	412,023	N/A
Plan Fiduciary Net Position-Beginning	9,014,289	N/A
Plan Fiduciary Net Position-Ending (b)	\$ 9,426,312	N/A
 Net Pension Liability/(Asset) - Ending (a-b)	\$ 895,800	N/A
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.32%	N/A
 Covered Valuation Payroll	\$ 2,044,113	N/A
 Net Pension Liability as a Percentage of Covered Valuation Payroll	43.82%	N/A

See accompanying notes to required supplementary information.

Frankfort Community Unit School District #168
IMRF - Multiyear Schedule of Contributions
 June 30, 2015

Last 10 Calendar Years

<u>Calendar Year Ending December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Valuation Payroll</u>	<u>Actual Contribution as a % of Covered Valuation Payroll</u>
2014	\$ 230,984	\$ 231,676	\$ (692)	\$2,044,113	11.33%

See accompanying notes to required supplementary information.

Frankfort Community Unit School District #168
TRS - Schedule of the Employer's Proportionate Share of the Net Pension Liability
 June 30, 2015

Teachers' Retirement System of the State of Illinois
 Fiscal Year 2015*
 (Dollar amounts in thousands)

Employer's proportion of the net pension liability		0.0034913097%
Employer's proportionate share of the net pension liability	\$	2,124,751
State's proportionate share of the net pension liability associated with the employer		52,109,368
Total	\$	<u>54,234,119</u>
Employer's covered-employee payroll		\$ 8,198,265
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll		25.92%
Plan fiduciary net position as a percentage of the total pension liability		43.00%

*The amounts presented were determined as of the prior fiscal-year end.

See accompanying notes to required supplementary information.

Frankfort Community Unit School District #168
TRS - Schedule of Employer's Contributions
 June 30, 2015

Teachers' Retirement System of the State of Illinois
 Fiscal Year 2015
 (Dollar amounts in thousands)

Contractually-required contribution	\$	106,661
Contributions in relation to the contractually-required contribution		(110,860)
Contribution deficiency (excess)	\$	(4,199)
Employer's covered-employee payroll	\$	8,198,265
Contributions as a percentage of covered-employee payroll		1.30%

See accompanying notes to required supplementary information.

Frankfort Community Unit School District #168

Activity Funds

June 30, 2015

<u>Senior High School</u>	<u>"Investments"</u>			<u>"Investments"</u>
	<u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u>
	<u>07/01/14</u>			<u>06/30/15</u>
Alice Grant Donation	\$ 5,778	\$ 1,972	\$ 5,700	\$ 2,050
Alpha	3,003	550	3,003	550
Annual	6,171	41,794	38,402	9,563
Art Club	310	1,050	335	1,025
Automechanics	557	-	-	557
Band	585	54	418	221
Baseball	1,818	2,531	1,826	2,523
Basic - Teal	1,088	54	233	909
Beta Club	434	4,852	4,174	1,112
Board Of Ed	142	-	-	142
Book Rental	15,009	11,870	16,738	10,141
Booster Club - Band	1,385	-	-	1,385
Boys Basketball Special	1,325	5,423	7,020	(272)
Business Education	143	-	-	143
Cafeteria Club	544	-	544	-
Cap & Gown	(8,102)	5,566	3,802	(6,338)
Certificate of Deposit	5,939	-	-	5,939
Cheerleaders	(16)	4,646	5,026	(396)
Class of 2012	2,680	-	-	2,680
Class of 2013	5,107	-	-	5,107
Class of 2014	1,220	40	1,260	-
Class of 2015	6,171	2,928	7,241	1,858
Class of 2016	9,023	5,732	8,921	5,834
Class of 2017	5,040	19,721	10,901	13,860
Class of 2018	-	8,093	1,826	6,267
Class of 2019	-	50	-	50
Commons	3,331	72,207	65,559	9,979
Computer Club	290	-	290	-
Consessions	948	27,963	26,071	2,840
Creative Writers	437	-	437	-
Cross Country	295	1,344	571	1,068
Drafting	67	-	-	67

See accompanying notes to required supplementary information.

Frankfort Community Unit School District #168

Activity Funds - Continued

June 30, 2015

Senior High School - Continued	"Investments" Balance 07/01/14	Receipts	Disbursements	"Investments" Balance 06/30/15
English Dept	187	-	-	187
Europe Fund	703	4,551	1,922	3,332
"F" Club	9,590	3,151	1,639	11,102
FCHS Special Olympics	1,201	2,122	1,457	1,866
Fel Christian Athletes	1,935	617	331	2,221
FFA Club	2,193	10,315	11,130	1,378
Fine Arts	-	1,218	-	1,218
First Priority	1,432	84	1,468	48
Flag Team	46	-	-	46
Football/Track	(532)	6,439	5,485	422
Foreign Language Lab Fees	458	7,618	7,372	704
Frosh/Soph Basketball	139	-	-	139
French Club	1,234	781	1,176	839
Freshman Focus	2,041	7,875	7,364	2,552
Frosh Football	4,193	-	999	3,194
FTA	192	-	192	-
Girls Basketball	1,911	2,825	4,067	669
Girls PE	364	-	-	364
Girls Track	2,521	989	42	3,468
Golf - Boys	660	420	347	733
Golf - Girls	870	672	592	950
Green House	293	-	-	293
Health Careers	1	-	-	1
Helleny Memeorial	7,597	-	6	7,591
Helping Hands	(99)	2	-	(97)
Home Economics	793	25	-	818
Imprest	(41)	2,613	12,673	(10,101)
Investment Interest	1,382	25	-	1,407
Key Club	4,075	370	459	3,986
Library	248	23	-	271
Lifesavers	2,872	-	2,889	(17)
Lounge	246	-	171	75

See accompanying notes to required supplementary information.

Frankfort Community Unit School District #168

Activity Funds - Continued

June 30, 2015

Senior High School - Continued	"Investments"	Receipts	Disbursements	"Investments"
	Balance 07/01/14			Balance 06/30/15
Machine Shop	(27)	-	-	(27)
Math	576	38	38	576
Mileage Reimburesment	1,459	-	-	1,459
Music	1,310	334	809	835
Musical	12,721	9,903	5,167	17,457
National Honor Society	3,343	6,007	5,360	3,990
Newsweek	(471)	-	-	(471)
Nike Club	923	-	923	-
Noteworthy/Thespians	3,993	2,859	2,532	4,320
Nursing	200	200	130	270
Outdoor Club	144	-	-	144
Parking	5,516	5,365	830	10,051
Perkins/CTE	(10,108)	48,873	30,672	8,093
Photography	3	-	-	3
Pom Pon	497	-	497	-
Presidential Classroom	159	-	159	-
Program	11,895	2,246	1,386	12,755
Redbird Club	353	-	353	-
Redbird Notes	842	1,771	2,196	417
Red Ribbon Week	391	60	303	148
REV NSF	243	-	7	236
Revolving	1,385	1,069	785	1,669
River to River	-	12,736	4,885	7,851
Blue Slips	7,030	3,600	7,080	3,550
Renee Goodson Lab Fees	613	45	212	446
Sarah Jones Lab Fees	830	724	1,105	449
Ian Noclaides Lab Fees	155	25	-	180
Weight Room	4,199	-	-	4,199
Safety Glasses	171	-	-	171
Scholar Bowl	48	1,725	513	1,260
Science Club	5,296	8,175	6,557	6,914
Show Choir	-	4,866	2,817	2,049
Sing & Bind	87	-	-	87

See accompanying notes to required supplementary information.

Frankfort Community Unit School District #168

Activity Funds - Continued

June 30, 2015

Senior High School - Concluded	"Investments"	Receipts	Disbursements	"Investments"
	Balance 07/01/14			Balance 06/30/15
	9	-	-	9
Social	802	3,177	2,952	1,027
Softball Special	450	-	148	302
Soph Football	2,422	775	35	3,162
Spanish Club	2,917	-	-	2,917
Special Ed	13	-	-	13
Speech	-	5,349	4,266	1,083
Sportsmans Club	4,178	6,650	5,489	5,339
Student Council	608	1,432	1,512	528
Sub Debs	35	-	-	35
Substance Abuse	-	1,700	25	1,675
Summer School	50	-	50	-
Swim Club	-	3,010	3,010	-
T-shirt Bball	376	1,665	1,856	185
Technology Supplies	3,384	75	50	3,409
Track Special	(143)	-	-	(143)
Vocational Electronics	(116)	-	-	(116)
Vocational Welding	1,807	3,958	4,348	1,417
Volleyball Club	-	1,242	1,242	-
Winter Bball	290	500	740	50
Woodshop	216	601	1,300	(483)
Wrestling Speical	26	-	-	26
Young Farmers	(113)	2,003	1,910	(20)
Youth & Government	1,830	-	-	1,830
Yuhas	(2,276)	4,779	-	2,503
Other				
TOTAL	\$ 189,968	\$ 418,712	\$ 376,328	\$ 232,352

See accompanying notes to required supplementary information.

Frankfort Community Unit School District #168

Activity Funds - Continued

June 30, 2015

	"Investments"			"Investments"
	Balance 07/01/14	Receipts	Disbursements	Balance 06/30/15
Junior High School	\$ 1,407	\$ -	\$ 535	\$ 872
Band	(2,939)	13,894	8,204	2,751
Beta Club	(375)	2,910	2,535	-
Book Rent	478	374	193	659
Builders Club	1,291	2,860	3,389	762
Building	(1,455)	1,621	1,545	(1,379)
Cafeteria	6,702	5,231	5,594	6,339
Chorus	430	24,356	23,669	1,117
Commons	(17)	200	31	152
FACS	99	180	185	94
Flower Fund	346	6,553	6,642	257
Fund Raisers	52	2,248	2,300	-
Imprest	30	-	30	-
Insurance	53	2,340	2,026	367
8th Grade	561	585	600	546
Library	406	-	491	(85)
Locks	281	862	1,007	136
Lounge	318	336	654	-
Needy Child Fund	(2)	20	-	18
Paper and Pencils	213	-	-	213
P.E.	1,483	7,544	8,111	916
P.T.O.	(124)	1,250	326	800
Science	(257)	10	169	(416)
Scholar Bowl	2,768	3,970	4,453	2,285
Special Ed Account	4,293	18,527	18,740	4,080
Sports	629	903	631	901
Student Council	611	-	141	470
Textbook Fund	2,600	7,706	6,700	3,606
Tournament Boys	1,060	3,924	4,254	730
Tournament Girls	1,118	78	1,274	(78)
Yearbook				
TOTAL	<u>\$ 22,060</u>	<u>\$ 108,482</u>	<u>\$ 104,429</u>	<u>\$ 26,113</u>

See accompanying notes to required supplementary information.

Frankfort Community Unit School District #168

Activity Funds - Continued

June 30, 2015

Intermediate School	"Investments" Balance 07/01/14	Receipts	Disbursements	"Investments" Balance 06/30/15
Cafeteria	\$ 2,008	\$ 3,492	\$ 3,285	\$ 2,215
Soda/Candy	2,256	1,291	1,088	2,459
Toaster Fund	330	-	115	215
Book Fair	4,194	9,701	7,342	6,553
Book Rent	-	8,373	8,360	13
Supplies	7,335	621	-	7,956
Pictures	5,103	13,828	13,921	5,010
Special Education	2,029	2,963	1,787	3,205
Grade 3	3,198	2,073	3,800	1,471
Grade 4	4,629	3,377	3,992	4,014
Grade 5	3,192	4,244	4,511	2,925
Grade 6	4,870	3,770	3,526	5,114
Flowers	1,029	610	245	1,394
NOW	6,812	15	-	6,827
Lounge	471	410	343	538
Concessions	6,127	5,299	3,861	7,565
Cheerleaders	476	644	813	307
Paper/Pens	1,625	441	582	1,484
Shoes/Needy	780	200	-	980
Athletics	5,642	6,692	7,320	5,014
FIS Volunteer Band	1,343	350	1,064	629
Parent Group	5,799	8,485	9,678	4,606
Social Committee	465	1,150	945	670
Library Fund	96	51	37	110
PBIS	1,097	200	749	548
TOTAL	\$ 70,906	\$ 78,280	\$ 77,364	\$ 71,822

See accompanying notes to required supplementary information.

Frankfort Community Unit School District #168

Activity Funds - Concluded

June 30, 2015

	"Investments" Balance 07/01/14	Receipts	Disbursements	"Investments" Balance 06/30/15
Denning Elementary School	\$ 1,454	\$ 1,810	\$ 1,531	\$ 1,733
Grade K	2,711	1,810	1,879	2,642
Grade 1	2,025	1,817	1,445	2,397
Grade 2	2,915	1,414	712	3,617
Special Ed	707	206	299	614
Extra	3,000	-	2,481	519
Music	1,070	2,118	2,395	793
Cafeteria	585	300	675	210
Milk	186	979	645	520
Soda	6,379	4,200	2,581	7,998
Revolving	294	-	-	294
Environmental Grant	5,750	9,075	7,240	7,585
Book Rental	300	-	-	300
N.O.W. Interest	7,540	3,726	3,764	7,502
Library	1,835	1,182	675	2,342
Pictures/Yearbooks	1,695	5,366	5,713	1,348
Supplies	1,606	20,903	22,224	285
Fund Raiser	794	100	467	427
Flower Fund	10,062	17,486	11,975	15,573
Parents' Group	192	1,414	1,316	290
Social	\$ 51,100	\$ 73,906	\$ 68,017	\$ 56,989
TOTAL				
DENNING ELEMENTARY SCHOOL	\$ 51,100	\$ 73,906	\$ 68,017	\$ 56,989
INTERMEDIATE SCHOOL	\$ 70,906	\$ 78,280	\$ 77,364	\$ 71,822
JUNIOR HIGH SCHOOL	\$ 22,060	\$ 108,482	\$ 104,429	\$ 26,113
SENIOR HIGH SCHOOL	\$ 189,968	\$ 418,712	\$ 376,328	\$ 232,352
TOTAL ACTIVITY FUNDS	\$ 334,034	\$ 679,380	\$ 626,138	\$ 387,276

See accompanying notes to required supplementary information.

Notes to Required Supplementary Information

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168

Notes to Required Supplementary Information

June 30, 2015

NOTE A - Budgets and Budgetary Accounting

The budget for all Governmental Fund Types and for the Working Cash Fund is prepared on the cash basis of accounting, which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 105, Paragraph 17-1 of the Illinois Compiled Statutes. The budget was passed on September 22, 2014.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

FRANKFORT COMMUNITY UNIT SCHOOL DISTRICT #168
Notes to Required Supplementary Information - Concluded
June 30, 2015

NOTE B – Teachers' Retirement System of the State of Illinois

Changes of Assumptions

Amount reported in 2014 reflect an investment rate of return of 7.5 percent, an inflation rate of 3.0 percent and real return of 4.5 percent, and a salary increase assumption of 5.75 percent. In 2013, assumptions used were an investment rate of return of 8.0 percent, an inflation rate of 3.25 percent and real return of 4.75 percent, and salary increases of 6.00 percent. However, the total pension liability at the beginning and end of the year was calculated using the same assumptions, so the difference due to actuarial assumptions was not calculated or allocated.

NOTE C - Stewardship, Compliance, and Accountability

The following fund expenditures exceeded the budget amount for such expenditures:

Education Fund
Operations & Maintenance Fund
Transportation Fund

Annual Financial Report

ILLINOIS STATE BOARD OF EDUCATION
 School Business Services Division
 100 North First Street, Springfield, Illinois 62777-0001
 217/785-8779

**Illinois School District Joint Agreement
 Annual Financial Report ***
 June 30, 2015

Due to ROE on October 15th
 Due to ISBE on November 15th
 SD/JA15

School District
 Joint Agreement

<p>School District/Joint Agreement Information (See instructions on inside of this page.)</p> <p>School District/Joint Agreement Number: 21-028-1680-26</p> <p>County Name: Franklin</p> <p>Name of School District/Joint Agreement: Frankfort Community Unit School District #168</p> <p>Address: P.O. Box 425 West Frankfort</p> <p>City: West Frankfort</p> <p>Email Address: ggains@wfschools.org</p> <p>Zip Code: 62896</p>	<p>Accounting Basis:</p> <p><input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL</p> <p>Filing Status: <u>Submit electronic AFR directly to ISBE</u></p> <p>Click on the Link to Submit: Send ISBE a File</p> <p>School District must complete a deficit reduction plan</p>	<p>Certified Public Accountant Information</p> <p>Name of Auditing Firm: Erming & Hoffman, PC</p> <p>Name of Audit Manager: Donald L Hoffman</p> <p>Address: 1191 West Saint Louis Street</p> <p>City: Nashville</p> <p>State: IL</p> <p>Zip Code: 62263</p> <p>Phone Number: 618-327-4375</p> <p>Fax Number: 618-327-4376</p> <p>IL License Number: 060-004252</p> <p>Expiration Date: 1/1/2015</p> <p>Email Address: dlohoffman@erminpcpa.com</p>	<p>Annual Financial Report Types of Auditor's Report issued:</p> <p>Qualified <input type="checkbox"/> Unqualified <input type="checkbox"/> Adverse <input checked="" type="checkbox"/> Disclaimer <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> Reviewed by District Superintendent/Administrator</p> <p>District Superintendent/Administrator Name (Type or Print): Gregory Goins</p> <p>Email Address: ggains@wfschools.org</p> <p>Telephone: 618-937-2421</p> <p>Fax Number: 618-932-2025</p> <p>Signature & Date:</p>
<p>Accounting Basis:</p> <p><input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL</p> <p>Filing Status: <u>Submit electronic AFR directly to ISBE</u></p> <p>Click on the Link to Submit: Send ISBE a File</p> <p>School District must complete a deficit reduction plan</p>	<p>Accounting Basis:</p> <p><input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL</p> <p>Filing Status: <u>Submit electronic AFR directly to ISBE</u></p> <p>Click on the Link to Submit: Send ISBE a File</p> <p>School District must complete a deficit reduction plan</p>	<p>Annual Financial Report Types of Auditor's Report issued:</p> <p>Qualified <input type="checkbox"/> Unqualified <input type="checkbox"/> Adverse <input checked="" type="checkbox"/> Disclaimer <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> Reviewed by District Superintendent/Administrator</p> <p>District Superintendent/Administrator Name (Type or Print): Gregory Goins</p> <p>Email Address: ggains@wfschools.org</p> <p>Telephone: 618-937-2421</p> <p>Fax Number: 618-932-2025</p> <p>Signature & Date:</p>	<p>Annual Financial Report Types of Auditor's Report issued:</p> <p>Qualified <input type="checkbox"/> Unqualified <input type="checkbox"/> Adverse <input checked="" type="checkbox"/> Disclaimer <input type="checkbox"/></p> <p><input checked="" type="checkbox"/> Reviewed by District Superintendent/Administrator</p> <p>District Superintendent/Administrator Name (Type or Print): Gregory Goins</p> <p>Email Address: ggains@wfschools.org</p> <p>Telephone: 618-937-2421</p> <p>Fax Number: 618-932-2025</p> <p>Signature & Date:</p>
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This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter 1, Subchapter C (Part 100).
 In some instances, use of open account codes (cells) may not be authorized by statute or administrative rule.
 Each school district or joint agreement is responsible for obtaining the concurring legal opinion and/or other supporting authorization/documentation, as necessary, to use the applicable account code (cell).

This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter 1, Subchapter C (Part 100).
 In some instances, use of open account codes (cells) may not be authorized by statute or administrative rule.
 Each school district or joint agreement is responsible for obtaining the concurring legal opinion and/or other supporting authorization/documentation, as necessary, to use the applicable account code (cell).

ISBE Use Only

Reviewed by Regional Superintendent/Cook ISB

Regional Superintendent/Cook ISB Name (Type or Print):
Matt Donkin

Email Address:
mdonkin@rose21.org

Telephone:
618-438-9711

Fax Number:
618-435-2861

Signature & Date:

Reviewed by Township Treasurer (Cook County only)
 Name of Township:

Township Treasurer Name (type or print)

Email Address:

Telephone:

Fax Number:

Signature & Date:

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INSTRUCTIONS/REQUIREMENTS: For School Districts/Joint Agreements

All School Districts/Joint Agreements must complete this form (Note: joint agreement supplementary/statistical schedules may not be applicable)

Round all amounts to the nearest dollar. Do not enter cents. (Exception: 9 Month ADA on page 28, line 78)

This form complies with **Part 100 (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing)**.

23. Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100)

Any errors left unresolved by the **Audit Checklist/Balancing Schedule** must be explained in the itemization page.

Submit AFR Electronically

* The Annual Financial Reports (AFR) must be submitted directly through the Attachment Manager to the AFR Group by the Auditor or School District designated personnel (Please see instructions for complete submission procedures).

[Attachment Manager Link](#)

Note: CD/Disk no longer accepted.

* AFR supporting documentation must be embedded as Microsoft Word (.doc), Word Perfect (*.wpd) or Adobe (*.pdf) and inserted within tab "Opinions & Notes". These documents include: The Audit, Management letter, Opinion letters, Compliance letters, Financial notes etc.... For embedding instructions see "Opinions & Notes" tab of this form.

Note: Adobe Acrobat (*.pdf) files cannot be embedded if you do not have the software. Simply attach files as separate docs in the Attachment Manager and they will be embedded for you.

Submit Paper Copy of AFR with Signatures

1) The auditor must send three paper copies of the AFR form (cover through page 8 at minimum) to the School District with the auditor signature.
Note: School Districts and Regional Superintendents may prefer a complete paper copy in lieu of an electronic file. Please comply with their requests as necessary.

2) Upon receipt, the School District retains one copy for their records, signs, and forwards the remaining two copies to the Regional Superintendent's office no later than October 15, annually.

3) Upon receipt, the Regional Superintendent's office retains one copy for their records, signs, and forwards the remaining paper copy to ISBE no later than November 15, annually.

* Yellow Book, CPE, and Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Auditing Standards" were utilized.
[Single Audit Act A-133](#)

Qualifications of Auditing Firm

* School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program, for the current peer review period.

* A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

AUDITOR'S QUESTIONNAIRE

INSTRUCTIONS: If your review and testing of State, Local, and Federal Programs revealed any of the following statements to be true, then check the box on the left, and attach the appropriate findings/comments.

PART A - FINDINGS

- 1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interest statements pursuant to the *Illinois Government Ethics Act. [5 ILCS 420/AA-101]*
- 2. One or more custodians of funds failed to comply with the bonding requirements pursuant to *Sections 8-2, 10-20.19 or 19-6 of the School Code. [105 ILCS 5/8-2; 10-20.19; 19-6]*
- 3. One or more contracts were executed or purchases made contrary to the provisions of *Section 10-20.21 of the School Code. [105 ILCS 5/10-20.21]*
- 4. One or more violations of the Public Funds Deposit Act or the Public Funds Investment Act were noted. *[30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.]*
- 5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
- 6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- 7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory Authority.
- 8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *State Revenue Sharing Act. [30 ILCS 115/12]*
- 9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization.
- 10. One or more interfund loans were outstanding beyond the term provided by statute.
- 11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization.
- 12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
- 13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to *Sections 2-3.27 and 2-3.28 of the School Code. [105 ILCS 5/2-3.27; 2-3.28]*
- 14. At least one of the following forms was filed with ISBE late: The FY14 AFR (ISBE FORM 50-35), FY14 Annual Statement of Affairs (ISBE Form 50-37) and FY15 Budget (ISBE FORM 50-36). Explain in the comments box below.
ISBE rules pursuant to Sections 3-15.1, 10-17, and 17-1 of the School Code [105 ILCS 5/3-15.1; 5/10-17; 5/17-1]

PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to Section 1A-8 of the School Code [105 ILCS 5/1A-8]

- 15. The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by *Sections 17-16 or 34-23 thru 34-27 of the School Code. [105 ILCS 5/17-16 or 34-23 thru 34-27]*
- 16. The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
- 17. The district has issued school or teacher orders for wages as permitted in *Sections 8-16, 32-7.2 and 34-76 of the School Code* or issued funding bonds for this purpose pursuant to *Section 19-8 of the School Code. [105 ILCS 5/8-6, 32-7.2, 34-76, and 19-8]*
- 18. The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds.

PART C - OTHER ISSUES

- 19. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
- 20. Findings, other than those listed in Part A (above), were reported (e.g. student activity fund findings).
- 21. Federal Stimulus Funds were not maintained and expended in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009. If checked, an explanation must be provided.
- 22. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: _____ (Ex: 00/00/0000)
- 23. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

Adverse due to the regulatory basis of accounting. Disclosures required by Governmental Accounting Standards Board Statement 45, Accounting for Post-Employment Benefits Other Than Pensions, Statement 67 Financial Reporting for Pension Plans, and Statement 68, Accounting and Financial Reporting for Pensions have been omitted.

PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS
 (For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Acct Codes 3100, 3105, 3110, 3500, and 3510) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score. In FY2014, identify those late payments recorded as intergovernmental Receivables, Other Receivables, or Deferred Revenue & Other Current Liabilities or Direct Receipts/Revenue. Payments should only be listed once.

Date:

- 24. Enter the date that the district used to accrue mandated categorical payments
- 25. For the listed mandated categorical (Revenue Code (3110, 3500, 3510, 3100, 3105) that were vouchered prior to June 30th, but not released until after year end as reported in ISBE FRIS system, enter the amounts that were accrued in the chart below.

Account Name	3100	3500	3510	3100	3105	Total
Deferred Revenues (490)						0
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)						
Direct Receipts/Revenue						0
Mandated Categoricals Payments (3110, 3500, 3510, 3100, 3105)						
Total						0

* Revenue Code (3110-Sp Ed Personnel, 3510-Sp Ed Transportation, 3500-Regular/Vocational Transportation, 3105-Sp Ed Funding for Children Requiring Services, 3100-Sp Ed Private Facilities)

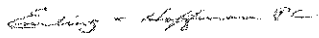
PART E - QUALIFICATIONS OF AUDITING FIRM

- * School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current peer review report and the corresponding acceptance letter from the approved peer review program for the current peer review.
- * A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school district's/joint agreement's expense.

Comments Applicable to the Auditor's Questionnaire:

Emling & Hoffman, PC
 Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.


 Signature

10/12/2015
 mm/dd/yyyy

	A	B	C	D	E	F	G	H	I	J	K	L	M																				
1	FINANCIAL PROFILE INFORMATION																																
2																																	
3	<i>Required to be completed for School Districts only.</i>																																
4																																	
5	A. Tax Rates (Enter the tax rate - ex: .0150 for \$1.50)																																
6	Tax Year <u>2014</u> Equalized Assessed Valuation (EAV): 87,424,446																																
7																																	
8																																	
9	Rate(s):																																
10	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Educational</td> <td style="text-align: center;">Operations & Maintenance</td> <td style="text-align: center;">Transportation</td> <td style="text-align: center;">Combined Total</td> <td style="text-align: center;">Working Cash</td> </tr> <tr> <td style="text-align: center;">0.016655</td> <td style="text-align: center;">0.003122</td> <td style="text-align: center;">0.001666</td> <td style="text-align: center;">0.021440</td> <td style="text-align: center;">0.000416</td> </tr> </table>													Educational	Operations & Maintenance	Transportation	Combined Total	Working Cash	0.016655	0.003122	0.001666	0.021440	0.000416										
Educational	Operations & Maintenance	Transportation	Combined Total	Working Cash																													
0.016655	0.003122	0.001666	0.021440	0.000416																													
11																																	
12																																	
13	B. Results of Operations *																																
14																																	
15	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Receipts/Revenues</td> <td style="text-align: center;">Disbursements/ Expenditures</td> <td style="text-align: center;">Excess/ (Deficiency)</td> <td style="text-align: center;">Fund Balance</td> </tr> <tr> <td style="text-align: center;">14,560,286</td> <td style="text-align: center;">15,114,168</td> <td style="text-align: center;">(553,882)</td> <td style="text-align: center;">(530,202)</td> </tr> </table>													Receipts/Revenues	Disbursements/ Expenditures	Excess/ (Deficiency)	Fund Balance	14,560,286	15,114,168	(553,882)	(530,202)												
Receipts/Revenues	Disbursements/ Expenditures	Excess/ (Deficiency)	Fund Balance																														
14,560,286	15,114,168	(553,882)	(530,202)																														
16	* The numbers shown are the sum of entries on Pages 7 & 8, lines 8, 17, 20, and 81 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.																																
17																																	
18																																	
19																																	
20	C. Short-Term Debt **																																
21	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">CPPRT Notes</td> <td style="text-align: center;">TAWs</td> <td style="text-align: center;">TANs</td> <td style="text-align: center;">TO/EMP. Orders</td> <td style="text-align: center;">GSA Certificates</td> </tr> <tr> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> <td style="text-align: center;">0</td> </tr> <tr> <td colspan="2" style="text-align: center;">Other</td> <td colspan="3" style="text-align: center;">Total</td> </tr> <tr> <td colspan="2" style="text-align: center;">0</td> <td colspan="3" style="text-align: center;">0</td> </tr> </table>													CPPRT Notes	TAWs	TANs	TO/EMP. Orders	GSA Certificates	0	0	0	0	0	Other		Total			0		0		
CPPRT Notes	TAWs	TANs	TO/EMP. Orders	GSA Certificates																													
0	0	0	0	0																													
Other		Total																															
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22																																	
23																																	
24																																	
25	** The numbers shown are the sum of entries on page 25.																																
26																																	
27																																	
28	D. Long-Term Debt																																
29	Check the applicable box for long-term debt allowance by type of district.																																
30																																	
31	<input type="checkbox"/> a. 6.9% for elementary and high school districts, 12,064,574																																
32	<input checked="" type="checkbox"/> b. 13.8% for unit districts.																																
33																																	
34	Long-Term Debt Outstanding:																																
35																																	
36	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">c. Long-Term Debt (Principal only)</td> <td style="border: 1px solid black; padding: 2px;">Acct</td> </tr> <tr> <td>Outstanding:.....</td> <td style="border: 1px solid black; padding: 2px;">511 2,610,000</td> </tr> </table>													c. Long-Term Debt (Principal only)	Acct	Outstanding:.....	511 2,610,000																
c. Long-Term Debt (Principal only)	Acct																																
Outstanding:.....	511 2,610,000																																
37																																	
38																																	
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40	E. Material Impact on Financial Position																																
41	If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.																																
42	Attach sheets as needed explaining each item checked.																																
43																																	
44	<input type="checkbox"/> Pending Litigation																																
45	<input type="checkbox"/> Material Decrease in EAV																																
46	<input type="checkbox"/> Material Increase/Decrease in Enrollment																																
47	<input type="checkbox"/> Adverse Arbitration Ruling																																
48	<input type="checkbox"/> Passage of Referendum																																
49	<input type="checkbox"/> Taxes Filed Under Protest																																
50	<input type="checkbox"/> Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)																																
51	<input type="checkbox"/> Other Ongoing Concerns (Describe & Itemize)																																
52																																	
53	Comments:																																
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A B C D E F G H I J K L M N O P Q

ESTIMATED FINANCIAL PROFILE SUMMARY

(Go to the following website for reference to the Financial Profile)
www.isbe.net/sfms/f/profile.htm

District Name: Frankfort Community Unit School District #168
District Code: 21-026-1680-26
County Name: Franklin

1. Fund Balance to Revenue Ratio:

Total Sum of Fund Balance (P8, Cells C81, D81, F81 & I81)
 Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)
 Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)
 (Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)

2. Expenditures to Revenue Ratio:

Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)
 Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)
 Less: Operating Debt Pledged to Other Funds (P8, Cell C54 thru D74)
 (Excluding C:D57, C:D61, C:D65, C:D69 and C:D73)
 Possible Adjustment:

3. Days Cash on Hand:

Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)
 Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)

4. Percent of Short-Term Borrowing Maximum Remaining:

Tax Anticipation Warrants Borrowed (P25, Cell F6-7 & F11)
 EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)

5. Percent of Long-Term Debt Margin Remaining:

Long-Term Debt Outstanding (P3, Cell H37)
 Total Long-Term Debt Allowed (P3, Cell H31)

Total	Ratio	Score Weight Value	Score Weight Value
(530,202.00)	(0.036)	1	0.35
14,560,286.00			0.35
0.00			
Total	Ratio	Score Adjustment Weight	Score Weight Value
15,114,168.00	1.038	3	0
14,560,286.00			0.35
0.00			1.05
Total	Days	Score Weight Value	Score Weight Value
69,194.00	1.64	1	0.10
41,983.80			0.10
Total	Percent	Score Weight Value	Score Weight Value
0.00	100.00	4	0.10
1,593,223.10			0.40
Total	Percent	Score Weight Value	Score Weight Value
2,610,000.00	78.36	4	0.10
12,064,573.55			0.40

Total Profile Score:

2.30 *

Estimated 2016 Financial Profile Designation: WATCH

* Total Profile Score may change based on data provided on the Financial Profile Information, page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

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BASIC FINANCIAL STATEMENTS STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS STATEMENT OF POSITION AS OF JUNE 30, 2015

	A	B	C	D	E	F	G	H	I	J	K
	ASSETS	Acct. #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
			Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
2	CURRENT ASSETS (100)										
3	Cash (Accounts 111 through 115) 1		4,394	23,167	1,310	2,493	5,621	959,029	39,150	284	205,802
4	Investments	120									
5	Taxes Receivable	130							139,400		
6	Interfund Receivables	140		192,000							
7	Intergovernmental Accounts Receivable	150									
8	Other Receivables	160									
9	Inventories	170									
10	Prepaid Items	180									
11	Other Current Assets (Describe & Itemize)	190			1,310	2,493	5,621	959,029	178,550	284	205,802
12	Total Current Assets		4,394	215,167	1,310	2,493	5,621	959,029	178,550	284	205,802
13	CAPITAL ASSETS (200)										
14	Works of Art & Historical Treasures	210									
15	Land	220									
16	Building & Building Improvements	230									
17	Site Improvements & Infrastructure	240									
18	Capitalized Equipment	250									
19	Construction in Progress	260									
20	Amount Available in Debt Service Funds	340									
21	Amount to be Provided for Payment on Long-Term Debt	350									
22	Total Capital Assets										
23	CURRENT LIABILITIES (400)										
24	Interfund Payables	410	271,400								
25	Intergovernmental Accounts Payable	420				60,000					
26	Other Payables	430									
27	Contracts Payable	440				115,000					
28	Loans Payable	460	485,000								
29	Salaries & Benefits Payable	470									
30	Payroll Deductions & Withholdings	480	(604)								
31	Deferred Revenues & Other Current Liabilities	490									
32	Due to Activity Fund Organizations	493									
33	Total Current Liabilities		755,796		0	175,000		0	0	0	0
34	LONG-TERM LIABILITIES (600)										
35	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
36	Reserved Fund Balance	714									
37	Unreserved Fund Balance	730	(751,402)	215,167	1,310	(172,517)	5,621	959,029	178,550	284	205,802
38	Investment in General Fixed Assets										
39	Total Liabilities and Fund Balance		4,394	215,167	1,310	2,493	5,621	959,029	178,550	284	205,802

BASIC FINANCIAL STATEMENTS STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS STATEMENT OF POSITION AS OF JUNE 30, 2015

A		B	L	M	N
ASSETS		Acct. #	Agency Fund	General Fixed Assets	General Long-Term Debt
2	CURRENT ASSETS (100)		387,277		
3	Cash (Accounts 111 through 115) 1	120			
4	Investments	130			
5	Taxes Receivable	140			
6	Interfund Receivables	150			
7	Intergovernmental Accounts Receivable	160			
8	Other Receivables	170			
9	Inventory	180			
10	Prepaid Items	190			
11	Other Current Assets (Describe & Itemize)				
12	Total Current Assets		387,277		
13	CAPITAL ASSETS (200)				
14	Works of Art & Historical Treasures	210		218,287	
15	Land	220		21,279,165	
16	Building & Building Improvements	230		3,526,348	
17	Site Improvements & Infrastructure	240		3,871,269	
18	Capitalized Equipment	250			
19	Construction in Progress	260			1,310
20	Amount Available in Debt Service Funds	340			2,609,690
21	Amount to be Provided for Payment on Long-Term Debt	350			2,610,000
22	Total Capital Assets			28,895,049	
23	CURRENT LIABILITIES (400)				
24	Interfund Payables	410			
25	Intergovernmental Accounts Payable	420			
26	Other Payables	430			
27	Contracts Payable	440			
28	Loans Payable	460			
29	Salaries & Benefits Payable	470			
30	Payroll Deductions & Withholdings	480			
31	Deferred Revenues & Other Current Liabilities	490			
32	Due to Activity Fund Organizations	493			
33	Total Current Liabilities		387,277		
34	LONG-TERM LIABILITIES (500)				
35	Long-Term Debt Payable (General Obligation, Revenue, Other)	511			2,610,000
36	Total Long-Term Liabilities	714			2,610,000
37	Reserved Fund Balance	730			
38	Unreserved Fund Balance			28,895,049	
39	Investment in General Fixed Assets			28,895,049	
40	Total Liabilities and Fund Balance		387,277	28,895,049	2,610,000

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL FOR THE YEAR ENDING JUNE 30, 2015

	A	B	C	D	E	F	G	H	I	J	K	L
	Description	Func#	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
1												
2												
3	10 - EDUCATIONAL FUND (ED)											
4	INSTRUCTION (ED)											
5	Regular Programs	1100	4,807,751	1,135,929	108,977	141,851		34,268		15,821	6,244,647	6,182,267
6	Tuition Payment to Charter Schools	1115									0	0
7	Pre-K Programs	1125									0	0
8	Special Education Programs (Functions 1200-1220)	1200	2,005,104	423,666	8,873	34,520	8,141				2,480,304	2,382,562
9	Special Education Programs Pre-K	1225	285,425	107,070	13,647	245,493	2,873				654,508	552,811
10	Remedial and Supplemental Programs K-12	1275									0	0
11	Remedial and Supplemental Programs Pre-K	1300						410			321,790	273,200
12	Adult/Continuing Education Programs	1400	271,543	49,304	115,524	533		2,592			166,541	163,500
13	CTE Programs	1500	37,094	1,548		9,793					0	0
14	Interscholastic Programs	1600									0	0
15	Summer School Programs	1650									249,318	253,970
16	Gifted Programs	1700	186,432	50,572	10,414	1,900					0	0
17	Driver's Education Programs	1800									0	0
18	Bilingual Programs	1900									0	0
19	Tenant Alternative & Optional Programs	1910									0	0
20	Pre-K Programs - Private Tuition	1911									0	0
21	Regular K-12 Programs - Private Tuition	1912									0	0
22	Special Education Programs K-12 - Private Tuition	1913									0	0
23	Special Education Programs Pre-K - Tuition	1914									0	0
24	Remedial/Supplemental Programs K-12 - Private Tuition	1915									0	0
25	Remedial/Supplemental Programs Pre-K - Private Tuition	1916									0	0
26	Adult/Continuing Education Programs - Private Tuition	1917									0	0
27	CTE Programs - Private Tuition	1918									0	0
28	Interscholastic Programs - Private Tuition	1919									0	0
29	Summer School Programs - Private Tuition	1920									0	0
30	Gifted Programs - Private Tuition	1921									0	0
31	Bilingual Programs - Private Tuition	1922									0	0
32	Tenant Alternative/Optional Ed Programs - Private Tuition	1923									0	0
33	Total Instruction ¹⁰	1000	7,593,349	1,788,089	257,435	434,120	11,014	37,280		15,821	10,117,108	9,809,310
34	SUPPORT SERVICES - PUPILS											
35	Attendance & Social Work Services	2110	106,228	28,787		87					135,102	140,820
36	Guidance Services	2120	56,094	6,899		11,480					74,473	76,934
37	Health Services	2130	81,978	9,360	90,680	4,487	2,924	186			189,615	133,245
38	Psychological Services	2140	59,131	11,912	4,706	639					76,388	76,130
39	Speech Pathology & Audiology Services	2150	132,612	41,851		2,604	1,281				178,348	115,505
40	Other Support Services - Pupils (Describe & Itemize)	2190									0	0
41	Total Support Services - Pupils	2100	436,043	98,809	95,366	19,297	4,205	186		0	653,926	541,834
42	SUPPORT SERVICES - INSTRUCTIONAL STAFF											
43	Improvement of Instruction Services	2210	87,211	8,120							95,331	80,900
44	Educational Media Services	2220	39,782	5,796	66,837	34,667					147,082	115,380
45	Assessment & Testing	2230	181,051	34,943	66,837	38,920	0			0	331,751	284,375
46	Total Support Services - Instructional Staff	2200	308,044	48,859	142,501	74,514	0			0	552,318	460,655
47	SUPPORT SERVICES - GENERAL ADMINISTRATION											
48	Board of Education Services	2310			50,443	634		145,978			207,055	173,750
49	Executive Administration Services	2320	167,351	36,915	16,483	13,223		2,836			236,808	252,461
50	Special Area Administration Services	2330									0	0
51	Tort Immunity Services	2370									0	0
52	Total Support Services - General Administration	2300	167,351	36,915	76,926	13,857	0	148,814		0	443,863	426,211

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL FOR THE YEAR ENDING JUNE 30, 2015

	A	B	C	D	E	F	G	H	I	J	K	L
	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
1												
2												
284	State Aid Anticipation Certificates	5140										
285	Other (Describe & Itemize)	5150										
286	Total Debt Services - Interest	5000										
287	PROVISION FOR CONTINGENCIES (MIRSS)	6000		459,656							459,656	493,120
288	Total Disbursements/Expenditures										459,656	
289	Excess (Deficiency) of Receipts/Revenues Over										2,816	
290	Disbursements/Expenditures											
291												
292	60 - CAPITAL PROJECTS (CP)											
293	SUPPORT SERVICES - BUSINESS						12,217				12,217	170,000
294	Facilities Acquisition and Construction Services	2630										
295	Other Support Services (Describe & Itemize)	2900										
296	Total Support Services	2000					12,217				12,217	170,000
297	PAYMENTS TO OTHER DIST & GOVT UNITS (CP)											
298	PAYMENTS TO OTHER GOVT UNITS (In-State)	4100										
299	Payments to Other Govt Units (In-State)	4120										
300	Payments for Special Education Programs	4140										
301	Payments for CTE Programs	4190										
302	Other Payments to In-State Govt Units (Describe & Itemize)	4000										
303	Total Payments to Other Dist & Govt Units	6000										
304	PROVISION FOR CONTINGENCIES (S&C/C)	6000										
305	Total Disbursements/Expenditures						12,217				12,217	170,000
306	Excess (Deficiency) of Receipts/Revenues Over										341,844	
307	Disbursements/Expenditures											
308												
309												
310	70 - WORKING CASH (WC)											
311	80 - TORT FUND (TF)											
312	SUPPORT SERVICES - GENERAL ADMINISTRATION											
313	Claims Paid from Self Insurance Fund	2361										
314	Workers' Compensation or Workers' Occupation Disease	2362									169,000	169,000
315	Acts Payments	2363										
316	Unemployment Insurance Payments	2364										
317	Insurance Payments (Regular or Self-Insurance)	2365										
318	Risk Management and Claims Services Payments	2366										
319	Judgment and Settlements	2367										
320	Educational, Inspectional, Supervisory Services Related to	2368										1,000
321	Loss Prevention or Reduction	2369										
322	Reciprocal Insurance Payments	2371										
323	Property Insurance (Buildings & Grounds)	2372										
324	Vehicle Insurance (Transportation)	2000										
325	Total Support Services - General Administration	5000									169,000	170,000
326	DEBT SERVICES (TF)											
327	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
328	Tax Anticipation Warrants	5110										
329	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130										

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL FOR THE YEAR ENDING JUNE 30, 2015

A	B	C	D	E	F	G	H	I	J	K	L
Description	Funct #	Salaries (100)	Employee Benefits (200)	Purchased Services (300)	Supplies & Materials (400)	Capital Outlay (500)	Other Objects (600)	Non-Capitalized Equipment (700)	Termination Benefits (800)	Total (900)	Budget
1											
2											
328	5150										0
											0
329	5000										0
											0
330	6000			169,000						169,000	170,000
331										(286)	
332											
333											
90 - FIRE PREVENTION & SAFETY FUND (FP&S)											
334											
335											
336											
337	2530									902	150,000
338	2540									902	150,000
339	2900									902	150,000
340	2000										
341											
342											
343	4190										
344	4000										
345											
346											
347	5110										
348	5160										
349	5100										
350	5200										
351	5300										
352	5000										
353	6000										
354										902	150,000
355										35,956	

A		B	C	D	E	F
SCHEDULE OF AD VALOREM TAX RECEIPTS		Taxes Received 7-1-14 Thru 6-30-15 (from 2013 Levy & Prior Levies) *	Taxes Received (from the 2014 Levy)	Taxes Received (from 2013 & Prior Levies) (Column B - C)	Total Estimated Taxes (from the 2014 Levy)	Estimated Taxes Due (from the 2014 Levy) (Column E - C)
1	Description					
2	Educational	1,464,231		1,464,231	1,723,880	1,723,880
3	Operations & Maintenance	274,495		274,495	323,227	323,227
4	Debt Services **	0		0	0	0
5	Transportation	146,438		146,438	172,388	172,388
6	Municipal Retirement	168,713		168,713	200,000	200,000
7	Capital Improvements	0		0	0	0
8	Working Cash	33,081		33,081	43,097	43,097
9	Tort Immunity	168,714		168,714	200,000	200,000
10	Fire Prevention & Safety	36,609		36,609	43,097	43,097
11	Leasing Levy	0		0	0	0
12	Special Education	29,243		29,243	34,478	34,478
13	Area Vocational Construction	0		0	0	0
14	Social Security/Medicare Only	168,713		168,713	200,000	200,000
15	Summer School	0		0	0	0
16	Other (Describe & Itemize)	0		0	0	0
17	Totals	2,490,237	0	2,490,237	2,940,167	2,940,167
18						
19						
20						
21						
22						

* The formulas in column B are unprotected to be overridden when reporting on a ACCRUAL basis.

** All tax receipts for debt service payments on bonds must be recorded on line 6 (Debt Services).

SCHEDULE OF SHORT-TERM DEBT									
Description	Outstanding Beginning 07/01/14	Issued 07/01/14 Through 06/30/15	Retired 07/01/14 Through 06/30/15	Outstanding Ending 06/30/15					
CORPORATE PERSONAL PROPERTY REPLACEMENT TAX									
3. ANTICIPATION NOTES (CPPT)									
4 Total CPPT Notes	0	0	0	0					
TAX ANTICIPATION WARRANTS (TAW)									
5 Educational Fund	0	0	0	0					
6 Operations & Maintenance Fund	0	0	0	0					
7 Debt Services - Construction	0	0	0	0					
8 Debt Services - Working Cash	0	0	0	0					
9 Debt Services - Refunding Bonds	0	0	0	0					
10 Transportation Fund	0	0	0	0					
11 Municipal Retirement/Social Security Fund	0	0	0	0					
12 Fire Prevention & Safety Fund	0	0	0	0					
13 Other - (Describe & Itemize)	0	0	0	0					
14 Total TAWs	0	0	0	0					
TAX ANTICIPATION NOTES (TAN)									
15 Educational Fund	0	0	0	0					
16 Operations & Maintenance Fund	0	0	0	0					
17 Fire Prevention & Safety Fund	0	0	0	0					
18 Other - (Describe & Itemize)	0	0	0	0					
19 Total TANS	0	0	0	0					
TEACHER/EMPLOYEES' ORDERS (T/EO)									
20 Total T/EOs (Educational, Operations & Maintenance, & Transportation Funds)	0	0	0	0					
GENERAL STATE-AID ANTICIPATION CERTIFICATES (GSAAC)									
21 Total GSAACs (All Funds)	0	0	0	0					
OTHER SHORT-TERM BORROWING									
22 Total Other Short-Term Borrowing (Describe & Itemize)	0	0	0	0					
SCHEDULE OF LONG-TERM DEBT									
Identification or Name of Issue	Date of Issue (m/n/d/yyyy)	Amount of Original Issue	Type of Issue *	Outstanding 07/1/14	Issued 7/1/14 thru 6/30/15	Retired 7/1/14 thru 6/30/15	Outstanding 6/30/15	Any differences described and itemized	Amount to be Provided for Payment on Long-Term Debt
30 2004 Limited School Bonds	07/20/04	4,245,000	3	2,840,000	0	230,000	2,610,000	0	2,608,690
31									
32									
33									
34									
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42									
43									
44									
45									
46									
47									
48		4,245,000		2,840,000	0	230,000	2,610,000	0	2,608,690
49									
50									

* Each type of debt issued must be identified separately with the amount:

- Working Cash Fund Bonds
- Funding Bonds
- Refunding Bonds
- Fire Prevent, Safety, Environmental and Energy Bonds
- Tort Judgment Bonds
- Building Bonds
- Other
- Other
- Other

Schedule of Restricted Local Tax Levies and Selected Revenues Sources Schedule of Tort Immunity Expenditures

A	B	C	D	E			F	G	H	I	J	K
SCHEDULE OF RESTRICTED LOCAL TAX LEVIES AND SELECTED REVENUE SOURCES												
1	Description			Account No			Tort Immunity ^a	Special Education	Area Vocational Construction	School Facility Occupation Taxes ^b	Driver Education	
2	Cash Basis Fund Balance as of July 1, 2014											
3	RECEIPTS:											
4	Ad Valorem Taxes Received by District			10, 20, 40 or 50-1100				29,243				
5	Earnings on Investments			10, 20, 40, 50 or 60-1500								
6	Drivers' Education Fees			10-1970							7,030	
7	School Facility Occupation Tax Proceeds			30 or 60-1983						705,628		
8	Driver Education			10 or 20-3370							26,740	
9	Other Receipts (Describe & Itemize on tab "Itemization 32")											
10	Sale of Bonds			10, 20, 40 or 60-7200			0	29,243	0	705,628	33,770	
11	Total Receipts							29,243			33,770	
12	DISBURSEMENTS:											
13	Instruction			10 or 50-1000								
14	Facilities Acquisition & Construction Services			20 or 60-2530								
15	Tort Immunity Services			10, 20, 40-2360-2370								
16	DEBT SERVICE											
17	Debt Services - Interest on Long-Term Debt			30-5200						130,705		
18	Debt Services - Payments of Principal on Long-Term Debt (Lease/Purchase Principal Retired)			30-5300						230,000		
19	Debt Services Other (Describe & Itemize on tab "Itemization 32")			30-5400						360,705		
20	Total Debt Services											
21	Other Disbursements (Describe & Itemize on tab "Itemization 32")											
22	Total Disbursements						0	29,243	0	372,922	33,770	
23	Ending Cash Basis Fund Balance as of June 30, 2015						0	0	0	332,706	0	
24	Reserved Fund Balance			714								
25	Unreserved Fund Balance			730								
26												
27												
28	SCHEDULE OF TORT IMMUNITY EXPENDITURES ^a											
29	Has the entity established an insurance reserve pursuant to 745 ILCS 10/9-103?											
30	Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, list in the aggregate the following:											
31	Total Claims Payments:											
32	Total Reserve Remaining:											
33	Using the following categories, list all other Tort Immunity expenditures not included in line 30 above. Include the total dollar amount for each category.											
34	Expenditures:											
35	Workers' Compensation Act and/or Workers' Occupational Disease Act											
36	Unemployment Insurance Act											
37	Insurance (Regular or Self-Insurance)											
38	Risk Management and Claims Service											
39	Judgments/Settlements											
40	Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction											
41	Reciprocal Insurance Payments (Insurance Code 72, 76, and 81)											
42	Legal Services											
43	Principal and Interest on Tort Bonds											
44												
45												
46	^a Schedules for Tort Immunity are to be completed only if expenditures have been reported in any fund other than the Tort Immunity Fund (80) during the fiscal year as a result of existing (restricted) fund balances in those other funds that are being spent down. Cell G6 above should include interest earnings only from these restricted tort immunity monies and only if reported in a fund other than Tort Immunity Fund (80).											
47												
48	^b 65 ILCS 5/5-1006.7											

	A	B	C	D	E	F	G	H	I	J	K	L
		Acct #	Cost 7-1-14	Add: Additions 2014-15	Less: Deletions 2014-15	Cost 6-30-15	Life in Years	Accumulated Depreciation 7-1-14	Add: Depreciation Allowable 2014-15	Less: Depreciation Deletions 2014-15	Accumulated Depreciation 6-30-15	Balance Undepreciated 6-30-15
3	Schedule of Capital Outlay and Depreciation											
4			0			0		0			0	0
5	Works of Art & Historical Treasures	210	0									
6	Land	220				218,267					0	218,267
7	Non-Depreciable Land	221	218,267			0	50				0	0
8	Depreciable Land	222	0									
9	Buildings	230				21,279,165	50	9,446,384	425,583		9,871,967	11,407,198
10	Permanent Buildings	231	21,279,165			0	25	0			0	0
11	Temporary Buildings	232	0				20	833,078	175,352		1,008,430	2,517,918
12	Improvements Other than Buildings (Infrastructure)	240	3,276,348	250,000		3,526,348						
13	Capitalized Equipment	250				3,761,485	10	3,409,498	64,248		3,473,746	287,739
14	10 Yr Schedule	251	3,743,327	18,158		109,784	6	95,397	10,160		105,557	4,227
15	5 Yr Schedule	252	109,784			0	3	0			0	0
16	3 Yr Schedule	253	0			0	-					0
17	Construction in Progress	260	0			0		13,784,367	675,343	0	14,459,700	14,435,349
18	Total Capital Assets	200	28,626,891	268,158	0	28,895,049	10		675,343			
19	Non-Capitalized Equipment	700										
20	Allowable Depreciation								675,343			

A		B		C		D		E	F	
ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP) PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2014-15)										
<i>This schedule is completed for school districts only.</i>										
									Amount	
Fund	Sheet	Row	ACCOUNT NO - TITLE							
OPERATING EXPENSE PER PUPIL										
									\$ 13,829,114	
7	EXPENDITURES:		Total Expenditures							\$ 491,216
8	ED	Expenditures 15-22, L114	Total Expenditures							\$ 361,208
9	O&M	Expenditures 15-22, L150	Total Expenditures							\$ 793,838
10	DS	Expenditures 15-22, L168	Total Expenditures							\$ 459,656
11	TR	Expenditures 15-22, L204	Total Expenditures							\$ 169,000
12	MR/SS	Expenditures 15-22, L288	Total Expenditures							\$ 16,104,032
13	TORT	Expenditures 15-22, L331	Total Expenditures							\$
14										
15	LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:									
16										\$ 0
17										\$ 0
18	TR	Revenues 9-14, L43, Col F	1412	Regular - Transp Fees from Other Districts (In State)						\$ 0
19	TR	Revenues 9-14, L47, Col F	1421	Summer Sch - Transp. Fees from Pupils or Parents (In State)						\$ 0
20	TR	Revenues 9-14, L48, Col F	1422	Summer Sch - Transp. Fees from Other Districts (In State)						\$ 0
21	TR	Revenues 9-14, L49, Col F	1423	Summer Sch - Transp. Fees from Other Sources (In State)						\$ 0
22	TR	Revenues 9-14, L50 Col F	1424	Summer Sch - Transp. Fees from Other Sources (Out of State)						\$ 0
23	TR	Revenues 9-14, L52, Col F	1432	CTE - Transp Fees from Other Districts (In State)						\$ 0
24	TR	Revenues 9-14, L56, Col F	1442	Special Ed - Transp Fees from Other Districts (In State)						\$ 0
25	TR	Revenues 9-14, L59, Col F	1451	Adult - Transp Fees from Pupils or Parents (In State)						\$ 0
26	TR	Revenues 9-14, L60, Col F	1452	Adult - Transp Fees from Other Districts (In State)						\$ 0
27	TR	Revenues 9-14, L61, Col F	1453	Adult - Transp Fees from Other Sources (In State)						\$ 0
28	TR	Revenues 9-14, L62, Col F	1454	Adult - Transp Fees from Other Sources (Out of State)						\$ 0
29	O&M	Revenues 9-14, L148, Col D	3410	Adult Ed (from ICCB)						\$ 0
30	O&M-TR	Revenues 9-14, L149, Col D & F	3499	Adult Ed - Other (Describe & itemize)						\$ 0
31	O&M-TR	Revenues 9-14, L218, Col D,F	4600	Fed - Spec Education - Preschool Flow-Through						\$ 0
32	O&M-TR	Revenues 9-14, L219, Col D,F	4605	Fed - Spec Education - Preschool Discretionary						\$ 0
33	O&M	Revenues 9-14, L229, Col D	4810	Federal - Adult Education						\$ 0
34	ED	Expenditures 15-22, L7, Col K - (G+I)	1125	Pre-K Programs						\$ 0
35	ED	Expenditures 15-22, L9, Col K - (G+I)	1225	Special Education Programs Pre-K						\$ 0
36	ED	Expenditures 15-22, L11, Col K - (G+I)	1275	Remedial and Supplemental Programs Pre-K						\$ 0
37	ED	Expenditures 15-22, L12, Col K - (G+I)	1300	Adult/Continuing Education Programs						\$ 0
38	ED	Expenditures 15-22, L15, Col K - (G+I)	1600	Summer School Programs						\$ 0
39	ED	Expenditures 15-22, L20, Col K	1910	Pre-K Programs - Private Tuition						\$ 0
40	ED	Expenditures 15-22, L21, Col K	1911	Regular K-12 Programs - Private Tuition						\$ 0
41	ED	Expenditures 15-22, L22, Col K	1912	Special Education Programs K-12 - Private Tuition						\$ 0
42	ED	Expenditures 15-22, L23, Col K	1913	Special Education Programs Pre-K - Tuition						\$ 0
43	ED	Expenditures 15-22, L24, Col K	1914	Remedial/Supplemental Programs K-12 - Private Tuition						\$ 0
44	ED	Expenditures 15-22, L25, Col K	1915	Remedial/Supplemental Programs Pre-K - Private Tuition						\$ 0
45	ED	Expenditures 15-22, L26, Col K	1916	Adult/Continuing Education Programs - Private Tuition						\$ 0
46	ED	Expenditures 15-22, L27, Col K	1917	CTE Programs - Private Tuition						\$ 0
47	ED	Expenditures 15-22, L28, Col K	1918	Interscholastic Programs - Private Tuition						\$ 0
48	ED	Expenditures 15-22, L29, Col K	1919	Summer School Programs - Private Tuition						\$ 0
49	ED	Expenditures 15-22, L30, Col K	1920	Gifted Programs - Private Tuition						\$ 0
50	ED	Expenditures 15-22, L31, Col K	1921	Bilingual Programs - Private Tuition						\$ 0
51	ED	Expenditures 15-22, L32, Col K	1922	Truants Alternative/Optional Ed Progrms - Private Tuition						\$ 37,669
52	ED	Expenditures 15-22, L75, Col K - (G+I)	3000	Community Services						\$ 82,156
53	ED	Expenditures 15-22, L102, Col K	4000	Total Payments to Other District & Govt Units						\$ 17,519
54	ED	Expenditures 15-22, L114, Col G	-	Capital Outlay						\$ 0
55	ED	Expenditures 15-22, L114, Col I	-	Non-Capitalized Equipment						\$ 0
56	O&M	Expenditures 15-22, L130, Col K - (G+I)	3000	Community Services						\$ 0
57	O&M	Expenditures 15-22, L138, Col K	4000	Total Payments to Other Dist & Govt Units						\$ 261,910
58	O&M	Expenditures 15-22, L150, Col G	-	Capital Outlay						\$ 0
59	O&M	Expenditures 15-22, L150, Col I	-	Non-Capitalized Equipment						\$ 0
60	DS	Expenditures 15-22, L154, Col K	4000	Payments to Other Dist & Govt Units						\$ 230,000
61	DS	Expenditures 15-22, L164, Col K	5300	Debt Service - Payments of Principal on Long-Term Debt						\$ 0
62	TR	Expenditures 15-22, L179, Col K - (G+I)	3000	Community Services						\$ 0
63	TR	Expenditures 15-22, L190, Col K	4000	Total Payments to Other Dist & Govt Units						\$ 0
64	TR	Expenditures 15-22, L200, Col K	5300	Debt Service - Payments of Principal on Long-Term Debt						\$ 0
65	TR	Expenditures 15-22, L204, Col G	-	Capital Outlay						\$ 0
66	TR	Expenditures 15-22, L204, Col I	-	Non-Capitalized Equipment						\$ 0
67	MR/SS	Expenditures 15-22, L210, Col K	1125	Pre-K Programs						\$ 0
68	MR/SS	Expenditures 15-22, L212, Col K	1225	Special Education Programs - Pre-K						\$ 0
69	MR/SS	Expenditures 15-22, L214, Col K	1275	Remedial and Supplemental Programs - Pre-K						\$ 0
70	MR/SS	Expenditures 15-22, L215, Col K	1300	Adult/Continuing Education Programs						\$ 0
71	MR/SS	Expenditures 15-22, L218, Col K	1600	Summer School Programs						\$ 0
72	MR/SS	Expenditures 15-22, L274, Col K	3000	Community Services						\$ 0
73	MR/SS	Expenditures 15-22, L278, Col K	4000	Total Payments to Other Dist & Govt Units						\$ 0
74										\$ 629,264
75	Total Deductions for OEPP Computation (Sum of Lines 18 - 73)									\$ 15,474,776
76	Total Operating Expenses Regular K-12 (Line 14 minus Line 75)									\$ 1,620,22
77	3 Mo ADA from the General State Aid Claimable for 2014-2015 and Payable in 2015-2016 (ISBE 54-33), L12									\$ 9,551.04
78	Estimated OEPP (Line 76 / Line 77)									\$
79										

A		B		C	D	E	F
ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2014-15)							
This schedule is completed for school districts only.							
1							
2							
3							Amount
4	Fund	Sheet, Row	ACCOUNT NO - TITLE				
5			PER CAPITA TUITION CHARGE				
80							
81							\$ 0
82		LESS OFFSETTING RECEIPTS/REVENUES:	1411	Regular - Transp Fees from Pupils or Parents (In State)			0
83	TR	Revenues 9-14, L42, Col F	1413	Regular - Transp Fees from Other Sources (In State)			0
84	TR	Revenues 9-14, L44, Col F	1415	Regular - Transp Fees from Co-curricular Activities (In State)			0
85	TR	Revenues 9-14, L45, Col F	1416	Regular Transp Fees from Other Sources (Out of State)			0
86	TR	Revenues 9-14, L46, Col F	1431	CTE - Transp Fees from Pupils or Parents (In State)			0
87	TR	Revenues 9-14, L51, Col F	1433	CTE - Transp Fees from Other Sources (In State)			0
88	TR	Revenues 9-14, L53, Col F	1434	CTE - Transp Fees from Other Sources (Out of State)			0
89	TR	Revenues 9-14, L54, Col F	1441	Special Ed - Transp Fees from Pupils or Parents (In State)			0
90	TR	Revenues 9-14, L55, Col F	1443	Special Ed - Transp Fees from Other Sources (In State)			0
91	TR	Revenues 9-14, L57, Col F	1444	Special Ed - Transp Fees from Other Sources (Out of State)			19,904
92	TR	Revenues 9-14, L58, Col F	1600	Total Food Service			79,084
93	ED	Revenues 9-14, L75, Col C	1700	Total District/School Activity Income			32,378
94	ED-O&M	Revenues 9-14, L82, Col C,D	1811	Rentals - Regular Textbooks			0
95	ED	Revenues 9-14, L84, Col C	1819	Rentals - Other (Describe & Itemize)			0
96	ED	Revenues 9-14, L87, Col C	1821	Sales - Regular Textbooks			0
97	ED	Revenues 9-14, L88, Col C	1829	Sales - Other (Describe & Itemize)			0
98	ED	Revenues 9-14, L91, Col C	1890	Other (Describe & Itemize)			2,993
99	ED	Revenues 9-14, L92, Col C	1910	Rentals			0
100	ED-O&M	Revenues 9-14, L95, Col C,D	1940	Services Provided Other Districts			0
101	ED-O&M-TR	Revenues 9-14, L98, Col C,D,F	1991	Payment from Other Districts			0
102	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L104, Col C,D,E,F,G	1993	Other Local Fees (Describe & Itemize)			599,083
103	ED	Revenues 9-14, L106, Col C	3100	Total Special Education			1,083
104	ED-O&M-TR	Revenues 9-14, L131, Col C,D,F	3200	Total Career and Technical Education			0
105	ED-O&M-MR/SS	Revenues 9-14, L140, Col C,D,G	3300	Total Bilingual Ed			6,586
106	ED-MR/SS	Revenues 9-14, L144, Col C,G	3360	State Free Lunch & Breakfast			0
107	ED	Revenues 9-14, L145, Col C	3365	School Breakfast Initiative			26,740
108	ED-O&M-MR/SS	Revenues 9-14, L146, Col C,D,G	3370	Driver Education			339,319
109	ED-O&M	Revenues 9-14, L147, Col C,D	3500	Total Transportation			0
110	ED-O&M-TR-MR/SS	Revenues 9-14, L154, Col C,D,F,G	3610	Learning Improvement - Change Grants			0
111	ED	Revenues 9-14, L155, Col C	3660	Scientific Literacy			0
112	ED-O&M-TR-MR/SS	Revenues 9-14, L156, Col C,D,F,G	3695	Truant Alternative/Optional Education			0
113	ED-TR-MR/SS	Revenues 9-14, L157, Col C,F,G	3715	Reading Improvement Block Grant			0
114	ED-TR-MR/SS	Revenues 9-14, L159, Col C,F,G	3720	Reading Improvement Block Grant - Reading Recovery			0
115	ED-TR-MR/SS	Revenues 9-14, L160, Col C,F,G	3725	Continued Reading Improvement Block Grant			0
116	ED-TR-MR/SS	Revenues 9-14, L161, Col C,F,G	3726	Continued Reading Improvement Block Grant (2% Set Aside)			0
117	ED-TR-MR/SS	Revenues 9-14, L162, Col C,F,G	3766	Chicago General Education Block Grant			0
118	ED-O&M-TR-MR/SS	Revenues 9-14, L163, Col C,D,F,G	3767	Chicago Educational Services Block Grant			0
119	ED-O&M-TR-MR/SS	Revenues 9-14, L164, Col C,D,F,G	3775	School Safety & Educational Improvement Block Grant			0
120	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L165, Col C,D,E,F,G	3780	Technology - Technology for Success			0
121	ED-O&M-DS-TR-MR/SS	Revenues 9-14, L166, Col C,D,E,F,G	3815	State Charter Schools			0
122	ED-TR	Revenues 9-14, L167, Col C,F	3925	School Infrastructure - Maintenance Projects			311,049
123	O&M	Revenues 9-14, L170, Col D	3925	School Infrastructure - Maintenance Projects			0
124	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L171, Col C-G,J	3999	Other Restricted Revenue from State Sources			0
125	ED	Revenues 9-14, L180, Col C	4045	Head Start (Subtract)			0
126	ED-O&M-TR-MR/SS	Revenues 9-14, L184, Col C,D,F,G	-	Total Restricted Grants-In-Aid Received Directly from Federal Govt			43,641
127	ED-O&M-TR-MR/SS	Revenues 9-14, L191, Col C,D,F,G	-	Total Title V			521,789
128	ED-MR/SS	Revenues 9-14, L201, Col C,G	-	Total Food Service			827,769
129	ED-O&M-TR-MR/SS	Revenues 9-14, L211, Col C,D,F,G	-	Total Title I			0
130	ED-O&M-TR-MR/SS	Revenues 9-14, L216, Col C,D,F,G	-	Total Title IV			380,179
131	ED-O&M-TR-MR/SS	Revenues 9-14, L220, Col C,D,F,G	4620	Fed - Spec Education - IDEA - Flow Through			0
132	ED-O&M-TR-MR/SS	Revenues 9-14, L221, Col C,D,F,G	4625	Fed - Spec Education - IDEA - Room & Board			0
133	ED-O&M-TR-MR/SS	Revenues 9-14, L222, Col C,D,F,G	4630	Fed - Spec Education - IDEA - Discretionary			0
134	ED-O&M-TR-MR/SS	Revenues 9-14, L223, Col C,D,F,G	4699	Fed - Spec Education - IDEA - Other (Describe & Itemize)			20,638
135	ED-O&M-MR/SS	Revenues 9-14, L228, Col C,D,G	4700	Total CTE - Perkins			0
160	ED-O&M-DS-TR-MR/SS-Tort	Revenue Adjustments (C231 thru J258)	4800	Total ARRA Program Adjustments			0
161	ED	Revenues 9-14, L260, Col C	4901	Race to the Top			0
162	ED-O&M-DS-TR-MR/SS-Tort	Revenues 9-14, L261, Col C-G,J	4902	Race to the Top-Preschool Expansion Grant			0
163	ED-O&M-MR/SS	Revenues 9-14, L262, Col C,D,G	4904	Advanced Placement Fee/International Baccalaureate			0
164	ED-TR-MR/SS	Revenues 9-14, L263, Col C,F,G	4905	Title III - Immigrant Education Program (IEP)			0
165	ED-TR-MR/SS	Revenues 9-14, L264, Col C,F,G	4909	Title III - Language Inst Program - Limited Eng (LIPLEP)			0
166	ED-TR-MR/SS	Revenues 9-14, L265, Col C,F,G	4910	Learn & Serve America			0
167	ED-O&M-TR-MR/SS	Revenues 9-14, L266, Col C,D,F,G	4920	McKinney Education for Homeless Children			0
168	ED-O&M-TR-MR/SS	Revenues 9-14, L267, Col C,D,F,G	4930	Title II - Eisenhower Professional Development Formula			131,142
169	ED-O&M-TR-MR/SS	Revenues 9-14, L268, Col C,D,F,G	4932	Title II - Teacher Quality			0
170	ED-O&M-TR-MR/SS	Revenues 9-14, L269, Col C,D,F,G	4960	Federal Charter Schools			47,528
171	ED-O&M-TR-MR/SS	Revenues 9-14, L270, Col C,D,F,G	4991	Medicaid Matching Funds - Administrative Outreach			107,012
172	ED-O&M-TR-MR/SS	Revenues 9-14, L271, Col C,D,F,G	4992	Medicaid Matching Funds - Fee-for-Service Program			1,952
173	ED-O&M-TR-MR/SS	Revenues 9-14, L272, Col C,D,F,G	4999	Other Restricted Revenue from Federal Sources (Describe & Itemize)			0
174							
175							
176							
177							
178							
179							
180							
181							
182							
							\$ 3,600,069
							\$ 11,974,709
							\$ 675,343
							\$ 12,850,052
							\$ 1,620.22
							\$ 7,807.61

ESTIMATED INDIRECT COST DATA

A	B	C	D	E	F	G	H
ESTIMATED INDIRECT COST RATE DATA							
1	SECTION I						
2	Financial Data To Assist Indirect Cost Rate Determination						
3	<i>(Source document for the computation of the Indirect Cost Rate is found in the "Expenditures 15-22" tab.)</i>						
4	ALL OBJECTS EXCLUDE CAPITAL OUTLAY. With the exception of line 11, enter the disbursements/expenditures included within the following functions charged directly to and reimbursed from federal grant programs. Also, include all amounts paid to or for other employees within each function that work with specific federal grant programs in the same capacity as those charged to and reimbursed from the same federal grant programs. For example, if a district received funding for a Title I clerk, all other salaries for Title I clerks performing like duties in that function must be included. Include any benefits and/or purchased services paid on or to persons whose salaries are classified as direct costs in the function listed.						
5	Support Services - Direct Costs (1-2000) and (5-2000)						
6	Direction of Business Support Services (1-2510) and (5-2510)						
7	Fiscal Services (1-2520) and (5-2520)						
8	Operation and Maintenance of Plant Services (1, 2, and 5-2540)			342,866			
9	Food Services (1-2560) Must be less than (P16, Col E, F, L62)						
10	Value of Commodities Received for Fiscal Year 2015 (include the value of commodities when determining if an A-133 is required)			41,950			
11	Internal Services (1-2570) and (5-2570)						
12	Staff Services (1-2640) and (5-2640)						
13	Data Processing Services (1-2660) and (5-2660)						
14	SECTION II						
15	Estimated Indirect Cost Rate for Federal Programs						
16		Function	Indirect Costs	Restricted Program Direct Costs	Indirect Costs	Unrestricted Program Direct Costs	Indirect Costs
17		1000	10,364,892	10,364,892		10,364,892	
18	Instruction						
19	Support Services:						
20	Pupil	2100	670,421	670,421		670,421	
21	Instructional Staff	2200	339,152	339,152		339,152	
22	General Admin.	2300	623,058	623,058		623,058	
23	School Admin	2400	488,012	488,012		488,012	
24	Business:						
25	Direction of Business Spt. Srv.	2510	0	0		0	
26	Fiscal Services	2520	137,127	137,127		137,127	
27	Oper. & Maint. Plant Services	2540	1,243,525	1,243,525		1,243,525	
28	Pupil Transportation	2550	798,469	798,469		798,469	
29	Food Services	2560	316,592	316,592		316,592	
30	Internal Services	2570	0	0		0	
31	Central:						
32	Direction of Central Spt. Srv.	2610	0	0		0	
33	Plan, Rsrch, Dvlp, Eval. Srv.	2620	0	0		0	
34	Information Services	2630	0	0		0	
35	Staff Services	2640	0	0		0	
36	Data Processing Services	2660	3,450	3,450		3,450	
37	Other:						
38	Community Services	3000	140,577	140,577		140,577	
39	Total		14,881,790	14,881,790		13,638,265	
40			Restricted Rate		Unrestricted Rate		
41			140,577	140,577	1,384,102	1,384,102	
42			Total Indirect costs:	14,881,790	Total Indirect costs:	13,638,265	
43			Total Direct Costs:	14,881,790	Total Direct Costs:	13,638,265	
44			=	0.94%	=	10.15%	
45							

E

D

C

B

A

REPORT ON SHARED SERVICES OR OUTSOURCING

School Code, Section 17-1.1 (Public Act 97-0357)

Fiscal Year Ending June 30, 2015

For additional information, please see the following website:

Complete the following for attempts to improve fiscal efficiency through shared services or outsourcing in the prior, current and next fiscal years. For additional information, please see the following website:
<http://www.isbe.net/sfms/aifr/aifr.htm>

Frankfort Community Unit School
 21-028-1680-26

Line Item	Service or Function (Check all that apply)	Prior Fiscal Year	Current Fiscal Year	Next Fiscal Year	Name of the Local Education Agency (LEA) Participating in the Joint Agreement, Cooperative or Shared Service.
8	<input type="checkbox"/> Check if the schedule is not applicable.		X	X	
9	Indicate with an (X) if Deficit Reduction Plan is Required for Annual Budget				(Limit text to 200 characters; for additional space use line 33 and 38)
10	Service or Function (Check all that apply)				
11	Curriculum Planning				
12	Custodial Services				
13	Educational Shared Programs				
14	Employee Benefits				
15	Energy Purchasing				
16	Food Services				
17	Grant Writing				
18	Grounds Maintenance Services				
19	Insurance				
20	Investment Pools				
21	Legal Services				
22	Maintenance Services				
23	Personnel Recruitment				
24	Professional Development				
25	Shared Personnel		X	X	Franklin/Jefferson Speical Ed District #801
26	Special Education Cooperatives				
27	STEM (science, technology, engineering and math) Program Offerings				
28	Supply & Equipment Purchasing				
29	Technology Services				
30	Transportation				
31	Vocational Education Cooperatives				
32	All Other Joint/Cooperative Agreements				
33	Other				
34					
35	Additional space for Column (D) - Barriers to Implementation:				
36					
37					
38					
40	Additional space for Column (E) - Name of LEA:				
41					
42					
43					

ILLINOIS STATE BOARD OF EDUCATION
 School Business Services Division (N-330)
 100 North First Street
 Springfield, IL 62777-0001

School District Name: Frankfort Community Unit School District
 RCDT Number: 21-028-1680-26

LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET
 (Section 17-1.5 of the School Code)

Description	Funct. No.	Actual Expenditures, Fiscal Year 2015			Budgeted Expenditures, Fiscal Year 2016		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	236,808	0	236,808	251,230	0	251,230
2. Special Area Administration Services	2330	0	0	0	0	0	0
3. Other Support Services - School Administration	2480	0	0	0	0	0	0
4. Direction of Business Support Services	2510	0	0	0	0	0	0
5. Internal Services	2570	0	0	0	0	0	0
6. Direction of Central Support Services	2610	0	0	0	0	0	0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.							
8. Totals		236,808	0	236,808	251,230	0	251,230
9. Percent Increase (Decrease) for FY2016 (Budgeted) over FY2015 (Actual)							6%

CERTIFICATION

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2015" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2015. I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2016" agree with the amounts on the budget adopted by the Board of Education.

 (Date) _____

 Signature of Superintendent

If line 9 is greater than 5% please check one box below.

- The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 16, 2015 to ensure inclusion in the Fall 2015 report, postmarked by January 17, 2016 to ensure inclusion in the Spring 2015 report, or postmarked by August 15, 2016 to ensure inclusion in the Fall 2016 report. Information on the waiver process can be found at www.isbe.net/isbewaivers/default.htm.

The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.

This page is provided for detailed itemizations as requested within the body of the report.
Type Below.

1. Page 11 Line 107: Education Fund: \$44,199 - E-rate, SOAR revenues, Miscellaneous
2. Page 11 Line 107: O&M Fund: \$17,211 - Oil Royalties, Reimbursements, etc.
3. Page 12 Line 171: Education Fund: \$750 State Library Grant, \$109,541 Orphanage Tuition, \$200,758 Other State Revenue
4. Page 14 Line 272: Education Fund: \$1,952 Department of Rehab Services

Reference Pages.

- ¹ Do not enter negative numbers. Reports with negative numbers will be returned for correction.
- ² GASB Statement No. 24; Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. The "On Behalf of" Payments should only be reflected on this page.
- ³ Equals Line 8 minus Line 17
- ⁴ May require notification to the county clerk to abate an equal amount from taxes next extended. Refer to Section 17-2.11 for the applicable provisions and other "limited" transfer authority to O&M through June 30, 2013
- ⁵ Requires notification to the county clerk to abate an equal amount from taxes next extended. See Section 10-22.14
- ⁶ Use of proceeds from the sale of school sites buildings, or other real estate is limited. See Sections 5-22 and 10-22.8 of the School Code.
- ⁷ Include revenue accounts 1110 through 1115, 1117, 1118 & 1120. Include taxes for bonds sold that are in addition to those identified separately.
- ⁸ Educational Fund (10) - Computer Technology only.
- ⁹ Corporate personal property replacement tax revenue must be first applied to the Municipal Retirement/Social Security Fund to replace tax revenue lost due to the abolition of the corporate personal property tax (30 ILCS 115/12). This provision does not apply to taxes levied for Medicare-Only purposes.
- ¹⁰ Include only tuition payments made to private facilities. See Function 4200 or 4400 for public facility disbursements/expenditures.
- ¹¹ Payment towards the retirement of lease/purchase agreements or bonded/other indebtedness (principal only) otherwise reported within the fund—e.g. alternate revenue bonds(Describe & Itemize).
- ¹² Only abolishment of Working Cash Fund must transfer its funds directly to the Educational Fund upon adoption of a resolution and at the close of the current school Year (see 105 ILCS 5/20-8 for further explanation)
Only abatement of working cash fund can transfer its funds to any fund in most need of money (see 105 ILCS 5/20-10 for further explanation)

Annual Federal Financial Compliance Report

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

DISTRICT/JOINT AGREEMENT NAME Frankfort Community Unit School Dist	RCDT NUMBER 21-028-1680-26	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 060-004252	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) Gregory Goins		NAME AND ADDRESS OF AUDIT FIRM Emling & Hoffman, PC 1191 West Saint Louis Street Nashville IL 62263	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) P.O. Box 425 West Frankfort 62896		E-MAIL ADDRESS donhoffman@emlingcpa.com	NAME OF AUDIT SUPERVISOR Donald L Hoffman
		CPA FIRM TELEPHONE NUMBER 618-327-4375	FAX NUMBER 618-327-4376

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)

Frankfort Community Unit School District #168
21-028-1680-26
A-133 SINGLE AUDIT INFORMATION CHECKLIST

The following checklist is **OPTIONAL**; it is not a required form for completion of A-133 Single Audit information. The purpose of the checklist is to assist in determining if appropriate information has been correctly completed within the Annual Financial Report (AFR). This is not a complete listing of all A-133 requirements, but highlights some of the more common errors found during ISBE reviews.

GENERAL INFORMATION

1. Signed copies of audit opinion letters have been included with audit package submitted to ISBE.
2. All opinion letters use the most current audit language and formatting as mandated in SAS 115/SAS 117 and other pronouncements.
3. ALL Single Audit forms within the AFR Excel workbook have been completed, where appropriate.
- For those forms that are not applicable, "N/A" or similar language has been indicated.
4. ALL Federal revenues reported in FRIS Report 0053 (Summary of Payments) are accounted for in the Schedule of Expenditures of Federal Awards (SEFA).
Programs funded through ARRA are identified separately in SEFA.
5. Federal revenues reported on the AFR reconcile to Federal revenues reported on the SEFA.
- Verify or reconcile on reconciliation worksheet.
6. The total value of non-cash COMMODITIES has been included within the AFR on the INDIRECT COSTS page (ICR Computation 30) on Line 11.
It should not be included in the Statement of Revenues Received (REVENUES 9-14) within the AFR Accounts 4210 - 4299.
Those accounts are specific cash programs, not non-cash assistance such as COMMODITIES.
7. Complete audit package (Data Collection Form, audit reports, etc.) has been submitted electronically to the Federal Audit Clearinghouse in Jeffersonville, Indiana.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

8. Programs funded through ARRA (Federal Stimulus funds) are identified separately from "regular" Federal programs
- Program name includes "ARRA - " prefix
- Correct ARRA CFDA and ISBE program numbers are listed
9. All prior year's projects are included and reconciled to final FRIS report amounts.
- Including receipt/revenue and expenditure/disbursement amounts.
10. All current year's projects are included and reconciled to most recent FRIS report filed.
- Including revenue and expenditure/disbursement amounts.
11. Differences in reported spending amounts on the SEFA and the final FRIS reports should be detailed and/or documented in a finding, with discrepancies reported as Questioned Costs.
12. Prior-year and Current-year Child Nutrition Programs (CNP) are included on the SEFA (with prior-year program showing total cash received).
Project year runs from October 1 to September 30, so projects will cross fiscal year;
This means that audited year revenues will include funds from both the prior year and current year projects.
13. Each CNP project should be reported on separate line (one line per project year per program).
14. Total CNP Revenue amounts are consistent with grant amounts awarded by ISBE for each program by project year.
15. Total CNP Expenditure amounts are consistent with grant amounts awarded by ISBE for each program by project year.
16. Exceptions should result in a finding with Questioned Costs.
17. The total value of non-cash COMMODITIES has been reported on the SEFA (CFDA 10.555).
- The value is determined from the following, with each item on a separate line:
 - * Non-Cash Commodities: Monthly Commodities Bulletin for April (From the Illinois Commodities System accessed through ISBE web site)
Total commodities = A PAL Allocated + B PAL Allocated + Processing Deductions + Total Bonus Allocated
Verify Non-Cash Commodities amount on ISBE web site: <http://www.isbe.net/business.htm>
 - * Non-Cash Commodities: Commodities information for non-cash items received through Other Food Services
Districts should track separately through year; no specific report available from ISBE
Verify Non-Cash Commodities amount through Other Food Services on ISBE web site: <http://www.isbe.net/business.htm>
 - * Department of Defense Fresh Fruits and Vegetables (District should track through year)
- The two commodity programs should be reported on separate lines on the SEFA.
Verify Non-Cash Commodities amount through DoD Fresh Fruits and Vegetables on ISBE web site: <http://www.isbe.net/business.htm>
 - * Amounts verified for Fresh Fruits and Vegetables cash grant program (ISBE code 4240)
CFDA number: 10.582
18. TOTALS have been calculated for Federal revenue and expenditure amounts (Column totals).
19. Obligations and Encumbrances are included where appropriate.
20. FINAL STATUS amounts are calculated, where appropriate.
21. Medicaid Fee-for-Service funds, E-Rate reimbursements and Build America Bond interest subsidies have not been included on the SEFA.
22. All programs tested (not just Type A programs) are indicated by either an * or (M) on the SEFA.
23. NOTES TO THE SEFA within the AFR Excel workbook (SEFA NOTES) have been completed.
Including, but not limited to:
 24. Basis of Accounting
 25. Name of Entity
 26. Type of Financial Statements
 27. Subrecipient information (Mark "N/A" if not applicable)
* ARRA funds are listed separately from "regular" Federal awards

SUMMARY OF AUDITOR RESULTS/FINDINGS/CORRECTIVE ACTION PLAN

28. Audit opinions expressed in opinion letters match opinions reported in Summary.
29. All Summary of Auditor Results questions have been answered.
30. All tested programs are listed.
31. Correct testing threshold has been entered. (OMB A-133, § 520)

Findings have been filled out completely and correctly (if none, mark "N/A").

32. Financial Statement and/or Federal Awards Findings information has been completely filled out for each finding, with finding numbers in correct format.
32. Finding completed for each Significant Deficiency and for each Material Weakness noted in opinion letters.
33. Separate finding for each Federal program (i.e., don't report same finding for multiple programs on one sheet).
34. Separate finding sheet for each finding on programs (e.g., excess interest earned and unallowable expenditures are two findings and should be reported separately, even if both are on same program).
35. Questioned Costs have been calculated where there are questioned costs.
36. Questioned Costs are separated by project year and by program (and sub-project, if necessary).
37. Questioned Costs have been calculated for Interest Earned on Excess Cash on Hand.
- Should be based on actual amount of interest earned
- Questioned Cost amounts are broken out between programs if multiple programs are listed on the finding
38. A CORRECTIVE ACTION PLAN has been completed for each finding.
- Including Finding number, action plan details, projected date of completion, name and title of contact person

Frankfort Community Unit School District #168
21-028-1680-26

RECONCILIATION OF FEDERAL REVENUES

Annual Financial Report to Schedule of Expenditures of Federal Awards

TOTAL FEDERAL REVENUE IN AFR

Account Summary 7-8, Line 7	Account 4000	\$	<u>2,104,079</u>
Flow-through Federal Revenues			
Revenues 9-14, Line 112	Account 2200		<u>-</u>
Value of Commodities			
Indirect Cost Info 30, Line 11			<u>41,950</u>
Less: Medicaid Fee-for-Service			
Revenues 9-14, Line 270	Account 4992		<u>(107,012)</u>
AFR TOTAL FEDERAL REVENUES:		\$	<u>2,039,017</u>

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

<u>Reason for Adjustment:</u>		\$	41,988
Perkins -- CTE reported in Activity Funds			
		\$	<u>2,081,005</u>
ADJUSTED AFR FEDERAL REVENUES			

Total Current Year Federal Revenues Reported on SEFA:		\$	<u>2,081,004</u>
Federal Revenues	Column D		

Adjustments to SEFA Federal Revenues:

<u>Reason for Adjustment:</u>			
		\$	<u>2,081,004</u>
ADJUSTED SEFA FEDERAL REVENUE:			
DIFFERENCE:		\$	<u>1</u>

Frankfort Community Unit School District #168
21-028-1680-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/13-6/30/14 (C)	Year 7/1/14-6/30/15 (D)	Year 7/1/13-6/30/14 (E)	Year 7/1/14-6/30/15 (F)			
U.S. Department of Education									
Flow Through Illinois State Board of Education									
Title VI - Rural Incentive									
2014	84.358B	14-4107	15,788	19,606	29,108	6,286	35,394	35,394	
2015	84.358B	15-4107	0	24,235	0	24,676	24,676	32,466	
			15,788	43,841	29,108	30,962	0		
Title I - Low Income (M)									
2014	84.010A	14-4300	360,269	296,328	508,232	150,390	658,622	776,528	
2015	84.010A	15-4300	0	531,441	0	591,896	892,230	776,311	
			360,269	827,769	508,232	742,286	100,334	100,334	
Special Education Preschool									
2014	84.173A	14-4600	15,890	6,116	20,657	1,349	22,006	22,006	
2015	84.173A	15-4600	0	16,113	0	17,574	20,495	21,902	
			15,890	22,229	20,657	18,923	2,921	2,921	

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Frankfort Community Unit School District #168
21-028-1680-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/13-6/30/14 (C)	Year 7/1/14-6/30/15 (D)	Year 7/1/13-6/30/14 (E)	Year 7/1/14-6/30/15 (F)			
U.S. Department of Education									
Flow Through Illinois State Board of Education									
Special Education IDEA (M)									
2014	84.027A	14-4620	109,839	39,661	148,750	750	149,500	438,847	
2015	84.027A	15-4620	0	340,518	0	371,365	438,475	654,534	
			109,839	380,179	148,750	372,115	67,110		
Title II - Teacher Quality									
2014	84.367A	14-4932	32,027	44,299	84,525	16,164	100,689	147,434	
2015	84.367A	15-4932	0	86,843	0	98,460	108,274	183,141	
			32,027	131,142	84,525	114,624	9,814		
Total Flow Through Illinois State Board of Education			533,813	1,405,160	791,272	1,278,910	180,179		

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- 1 To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
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Frankfort Community Unit School District #168
21-028-1680-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ³		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/13-6/30/14 (C)	Year 7/1/14-6/30/15 (D)	Year 7/1/13-6/30/14 (E)	Year 7/1/14-6/30/15 (F)			
U.S. Department of Education									
Flow Through Regional Office of Education									
Perkins CTE									
2015	84.048A	15-4745	0	62,626	0	62,626		62,626	
Total Flow Through Regional Office of Education			0	62,626	0	62,626	0		
Flow Through Illinois Comptroller									
DORS									
2015		15-4999	0	1,952	0	1,952	0	1,952	
Total Flow Through Illinois Comptroller			0	1,952	0	1,952	0		
Total U.S. Department of Education			533,813	1,469,738	791,272	1,343,488	180,179		

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- 1 To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
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- 4 Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Frankfort Community Unit School District #168
21-028-1680-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/13-6/30/14 (C)	Year 7/1/14-6/30/15 (D)	Year 7/1/13-6/30/14 (E)	Year 7/1/14-6/30/15 (F)			
U.S. Department of Agriculture									
Flow Through Illinois State Board of Education									
National Lunch (M)									
2014	10.555	14-4210	322,610	74,594	322,610	74,594		394,204	N/A
2015	10.555	15-4210	0	302,851	0	302,851		302,851	N/A
National Breakfast									
2014	10.553	14-4220	114,312	26,429	114,312	26,429		140,741	N/A
2015	10.553	15-4220	0	117,914	0	117,914		117,914	N/A
Commodities									
Department of Defense - Fruits and Vegetables									
	10.555	15-4250	0	22,238	0	22,238		22,238	N/A
	10.555	15-4250	0	19,712	0	19,712		17,912	N/A
Total U.S. Department of Agriculture			436,922	563,738	436,922	563,738	0		

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- 1 To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- 2 When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- 3 When awards are received as a subrecipient, the identifying number should be included in the schedule.
- 4 Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Frankfort Community Unit School District #168
21-028-1680-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2015

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/13-6/30/14 (C)	Year 7/1/14-6/30/15 (D)	Year 7/1/13-6/30/14 (E)	Year 7/1/14-6/30/15 (F)			
U.S. Department of Health and Human Services									
Flow Through IL Healthcare & Family Services									
Administrative Outreach	93.778	15-4992	0	47,528	0	47,528		47,528	N/A
2015									
Total Flow Through IL Healthcare & Family Services			0	47,528	0	47,528	0		
Total Federal Awards			970,735	2,081,004	1,228,194	1,954,754	180,179		

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

Frankfort Community Unit School District #168
21-028-1680-26
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: Adverse
 (Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? X YES None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? X YES 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
84.010A	U.S. Department of Education - Title I - Low Income
84.027A	U.S. Department of Education - Special Education IDEA
10.555	U.S. Department of Agriculture - National School Lunch Program

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 Community Unit School District #168
21-028-1680-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹

2015- 001

2. THIS FINDING IS:

New

New

Repeat from Prior Year?

Repeat from Prior Year?

Year originally reported? _____

3. Criteria or specific requirement
Segregation of Duties

4. Condition

There is limited segregation of duties over cash receipts and disbursements, receiving and purchasing, recording of transactions and reconciliation of the bank accounts. The School District employs few individuals to perform all of the above mentioned functions.

5. Context¹²

The School District does not have adequate segregation of duties.

6. Effect

Transaction and reporting errors could occur and not be detected in a timely manner.

7. Cause

The cost versus the benefit of hiring additional staff is not conducive for the District.

8. Recommendation

The School District should segregate or rotate duties so that no one individual handles a transaction from its inception to its completion. While the District's staffing arrangement may not permit an adequate segregation of duties in all respects for an effective system of internal control procedures, it is important that the personnel and management is aware of this condition.

9. Management's response¹³

The School District is aware of this condition. A review of the staffing arrangement, assignment of duties, and employee bonding will be completed.

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 Community Unit School District #168
21-028-1680-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ 2015- 002 2. THIS FINDING IS: New Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement
Current *Government Auditing Standards* require the School District to designate a qualified management level individual to be responsible and accountable for overseeing the drafting of the School District's financial statements and footnotes in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

4. Condition
Personnel of the School District do not currently possess the skills necessary to draft financial statements and footnotes in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

5. Context¹²
The School District does not possess the ability to draft their financial statements or footnotes.

6. Effect
The School District's management may not be able to detect error or omissions in the application of the cash basis of accounting with respect to the School District's financial statements or footnotes.

7. Cause
Lack of formal technical training and continuing education.

8. Recommendation
Current *Government Auditing Standards* allow the School District to continue to request the auditor to prepare the financial statements and footnote disclosures. However, the School District is still responsible for having a qualified person capable of understanding the complete drafting of financial statements and footnote disclosures as well as having the capability of making sure that all adjusting entries, having a material effect on the financial statements, are properly posted prior to the audit being performed. The School District should consider providing additional training for its staff.

9. Management's response¹³
Management agrees with the finding, however, the Illinois State Board of Education requires the District Auditor prepare the Annual Financial Report.

For ISBE Review

Date:

Initials:

Resolution Criteria Code Number

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 Community Unit School District #168
21-028-1680-26
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.

Frankfort Community Unit School District #168
21-028-1680-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2015

Corrective Action Plan

Finding No.: **2015- 001**

Condition:

There is limited segregation of duties over cash receipts and disbursements, receiving and purchasing, recording of transactions and reconciliation of bank accounts. The School District employs few individuals to perform all of the above functions.

Plan:

The School District will segregate or rotate duties so that no one individual handles a transaction from its inception to its completion.

Anticipated Date of Completion:

Name of Contact Person: Greg Goins, Superintendent

Management Response:

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

Frankfort Community Unit School District #168
21-028-1680-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2015

Corrective Action Plan

Finding No.: **2015- 002**

Condition:

Personnel of the School District do not currently possess the skills necessary to draft financial statements and footnotes in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Plan:

The School District is aware of this condition and will continue to have the auditor prepare the financial statements and footnote disclosures, because the Illinois State Board of Education requires the District Auditor to complete. However the District is still responsible for having a qualified individual capable of understanding the complete drafting of the financial statements and footnote disclosures as well as having the capability of making sure all the adjusting, having a material effect on the financial statements, are properly posted prior to the audit being performed.

Anticipated Date of Completion:

Name of Contact Person: Greg Goins, Superintendent

Management Response:

²¹ See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.