

A	B	C	D	E	F	G	H
DEFICIT ANNUAL FINANCIAL REPORT (AFR) SUMMARY INFORMATION New Provisions in the School Code, Section 17-1 (105 ILCS 5/17-1)							
1	<i>Instructions: If the Annual Financial Report (AFR) reflects that a "deficit reduction plan" is required as calculated below, then the school district is to complete the "deficit reduction plan" in the annual budget and submit the plan to Illinois State Board of Education (ISBE) within 30 days after accepting the audit report. This may require the FY2017 annual budget to be amended to include a "deficit reduction plan" and narrative.</i>						
2	<i>The "deficit reduction plan" is developed using ISBE guidelines and format in the School District Budget Form 50-36. A plan is required when the operating funds listed below result in direct revenues (line 7) being less than direct expenditures (line 8) by an amount equal to or greater than one-third (1/3) of the ending fund balance (line 10). That is, if the ending fund balance is less than three times the deficit spending, the district must adopt and submit an original budget/amended budget with ISBE that provides a "deficit reduction plan" to balance the shortfall within the next three years.</i>						
3							
4	DEFICIT AFR SUMMARY INFORMATION - Operating Funds Only <i>(All AFR pages must be completed to generate the following calculation)</i>						
5	Description	EDUCATIONAL FUND (10)	OPERATIONS & MAINTENANCE FUND (20)	TRANSPORTATION FUND (40)	WORKING CASH FUND (70)	TOTAL	
6	Direct Revenues	14,030,750	1,739,249	655,465	70,981	16,496,445	
7	Direct Expenditures	14,617,695	1,706,251	912,080		17,236,026	
8	Difference	(586,945)	32,998	(256,615)	70,981	(739,581)	
9	Fund Balance - June 30, 2016	5,524,001	2,190,467	1,554,081	2,171,797	11,440,346	
10							
11	Unbalanced - however, a deficit reduction plan is not required at this time.						
12							
13							



**INDEPENDENT AUDITORS' REPORT
ON THE ANNUAL FINANCIAL REPORT**

August 31, 2016

To the Board of Education
Mokena School District No. 159
Mokena, Illinois

We have audited the basic financial statements of Mokena School District No. 159 (the "District") as of and for the year ended June 30, 2016, and have issued our report thereon, dated August 31, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to August 31, 2016.

The accompanying Annual Financial Report, Form ISBE SD50-35/JA50-60, for the District as of and for the year ended June 30, 2016 has been prepared in the form prescribed by the Illinois State Board of Education, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information, except for the financial profile information, estimated financial profile summary, supplementary schedules, statistical section, estimate indirect cost rate for federal programs, report on shared service or outsourcing, administrative cost worksheet, and itemization schedule, as listed in the table of contents, which were not audited, and on which we express no opinion, 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 themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information, except for those portions identified above as not audited, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The answers to questions 1 through 25 contained in the "Auditor's Questionnaire" on page 2 are based solely on the procedures performed and data obtained during our audit of the basic financial statements of the District as of and for the year ended June 30, 2016.

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

LAUTERBACH & AMEN, LLP