

**MOKENA SCHOOL  
DISTRICT No. 159, ILLINOIS**

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**SINGLE AUDIT REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2017**

# **MOKENA SCHOOL DISTRICT 159, ILLINOIS**

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**MOKENA SCHOOL DISTRICT 159, ILLINOIS**

**Schedule of Expenditures of Federal Awards**

**For the Year Ended June 30, 2017**

| Federal Grantor                            | Pass-Through Grantor                                     | Program Title  | Federal<br>CFDA<br>Number | Program/Grant<br>Number | Expenditures          |
|--|--|--|---------------------------|-------------------------|-----------------------|
| US Department of<br>Agriculture            | Illinois State Board of Education                        | National School Lunch Program  | 10.555                    | 2016-4210               | 10,617                |
|  |  |  |                           | 2017-4210               | 71,389                |
|  |  | Commodities (non-cash)   | 10.555                    | 2017                    | 31,485                |
|  |  |  |                           | <b>Total 10.555</b>     | <u>113,491</u>        |
| Department of Education                    | Illinois State Board of Education                        | Title I - Low Income   | 84.010                    | 2016-4300               | 40,346                |
|  |  |  |                           | 2017-4300               | 87,998                |
|  |  |  |                           | <b>Total 84.010</b>     | <u>128,344</u>        |
| Department of Education                    | Illinois State Board of Education                        | Title II - Teacher Quality   | 84.367                    | 2016-4932               | 5,428                 |
|  |  |  |                           | 2017-4932               | 35,022                |
|  |  |  |                           | <b>Total 84.367</b>     | <u>40,450</u>         |
| Department of Education                    | Lincoln-Way Area Special<br>Education                    | Special Education - Grants to States<br>(IDEA Flow Through)              | 84.027                    | N/A                     | 376,284               |
|  | Illinois State Board of Education                        | Special Education - Grants to States<br>(IDEA Room & Board Flow Through) | 84.027A                   | 2016-4625               | 168,163               |
|  |  |  |                           | 2017-4625               | 17,881                |
|  |  |  |                           | <b>Total 84.027</b>     | <u>186,044</u>        |
| Department of Health<br>and Human Services | Illinois Department of Healthcare<br>and Family Services | Medical Assistance Program<br>(Medicaid; Title XIX)                      | 93.778                    | N/A                     | <u>34,142</u>         |
| <b>TOTAL FEDERAL AWARDS EXPENDED</b>       |  |  |                           |                         | <u><u>878,755</u></u> |

See accompanying notes to the schedule of expenditures of federal awards.

## **MOKENA SCHOOL DISTRICT 159, ILLINOIS**

### **Notes to the Schedule of Expenditures of Federal Awards June 30, 2017**

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#### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the School District under programs of the federal government for the year ended June 30, 2017. The information in this Schedule is presented in accordance with the requirements of Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Expenditures**

Expenditures reported on the Schedule are reported on the accrual basis of accounting.

##### **Pass-Through Entities**

Pass-through entity identifying numbers are presented on the Schedule where available.

##### **Non-Cash Assistance**

Non-cash assistance amounted to \$31,485 for commodities passed through the Illinois State Board of Education.



**INDEPENDENT AUDITORS' 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***

August 22, 2017

The Board of Education  
Mokena School District 159  
Mokena, 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, each major fund, and the aggregate remaining fund information of the Mokena School District No. 159 (District), Illinois, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 22, 2017.

*Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the District'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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

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

### *Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 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*.

We noted certain other matters that we reported to management of the District in a separate letter dated August 22, 2017.

### *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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Lauterbach & Amen, LLP". The signature is written in a cursive, flowing style.

LAUTERBACH & AMEN, LLP



**INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE  
AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

August 22, 2017

The Board of Education  
Mokena School District 159  
Mokena, Illinois

*Report on Compliance for Each Major Federal Program*

We have audited the Mokena School District No. 159 (District), Illinois' compliance with the types of compliance requirements described in the *Uniform Guidance Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompany schedule of findings and questioned costs.

*Management 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 the District'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 Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and Uniform Guidance required that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe 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 the District's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, the Mokena School District No. 159, Illinois 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, 2017.

### *Report on Internal Control over Compliance*

Management of the District 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 the District's internal control over compliance with the 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 Uniform Guidance, 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 the District's internal control over compliance.

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

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



### *Schedule of Expenditures of Federal Awards*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Mokena School District No. 159, Illinois as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated August 22, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

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



LAUTERBACH & AMEN, LLP

## **MOKENA SCHOOL DISTRICT 159, ILLINOIS**

### **Schedule of Findings and Questioned Costs Year Ended June 30, 2017**

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#### **SECTION 1 – SUMMARY OF AUDITOR’S RESULTS**

##### **Financial Statements**

|  |            |
|--|------------|
| Type of auditor’s report issued on the financial statements:   | Unmodified |
| Internal control over financial reporting:   |            |
| Material weakness(es) identified:  | No         |
| Significant deficiencies identified:   | No         |
| Noncompliance material to the financial statements noted:  | No         |
| Any audit findings disclosed that are required to be<br>reported in accordance with Uniform Guidance, Section .510(a): | No         |

##### **Federal Awards**

|   |  |
|---|--|
| Type of auditor’s report issued on compliance for major programs:           | Unmodified                             |
| Internal control over major programs:                                       |  |
| Material weakness(es) identified:   | No                                     |
| Significant deficiencies identified:  | No                                     |
| Major programs identified:  |  |
| <u>CFDA Number(s)</u>   | <u>Name of Federal Program/Cluster</u> |
| 84.027  | IDEA Flow Through                      |
| Dollar threshold used to distinguish between<br>Type A and Type B programs: | \$750,000                              |
| Auditee qualified as a low-risk auditee:                                    | No                                     |

**MOKENA SCHOOL DISTRICT 159, ILLINOIS**

**Schedule of Findings and Questioned Costs – Continued**  
**Year Ended June 30, 2017**

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**SECTION 2 – FINANCIAL STATEMENT AUDIT FINDINGS**

**None**

**MOKENA SCHOOL DISTRICT 159, ILLINOIS**

**Schedule of Findings and Questioned Costs – Continued**  
**Year Ended June 30, 2017**

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**SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**None**

**MOKENA SCHOOL DISTRICT 159, ILLINOIS**

**Schedule of Findings and Questioned Costs – Continued**  
**Year Ended June 30, 2017**

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**SECTION 4 – PRIOR YEAR AUDIT FINDINGS**

**Significant Deficiency**

**None**