

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

KANKAKEE VALLEY SCHOOL CORPORATION  
JASPER COUNTY, INDIANA

July 1, 2010 to June 30, 2012



**FILED**  
12/18/2012



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Carol Deardorff	07-01-10 to 06-30-13
Superintendent of Schools	Dr. Glenn Krueger Sharon Sanelli (Interim) Sharon Sanelli	07-01-10 to 12-31-11 01-01-12 to 02-26-12 02-27-12 to 06-30-13
President of the School Board	John Spurgeon Robert Misch	07-01-10 to 06-30-11 07-01-11 to 06-30-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE KANKAKEE VALLEY SCHOOL  
CORPORATION, JASPER COUNTY, INDIANA

We have audited the accompanying financial statement of the Kankakee Valley School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012. This financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis of accounting noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 3, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2010 to June 30, 2012, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated October 17, 2012, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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 and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement 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 financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis, Schedule of Long-Term Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

October 17, 2012



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE KANKAKEE VALLEY SCHOOL  
CORPORATION, JASPER COUNTY, INDIANA

We have audited the financial statement of the Kankakee Valley School Corporation (School Corporation), for the period of July 1, 2010 to June 30, 2012, and have issued our report thereon dated October 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the School Corporation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

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 a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statement is 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 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.

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

STATE BOARD OF ACCOUNTS

October 17, 2012

## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the School Corporation. The financial statement and notes are presented as intended by the School Corporation.

KANKAKEE VALLEY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2011 and 2012

Fund	Cash and Investments		Disbursements	Other Financing Sources (Uses)		Cash and Investments		Other Financing Sources (Uses)		Cash and Investments	
	07-01-10	Receipts		06-30-11	Receipts	Disbursements	06-30-12	Receipts	Disbursements	06-30-12	
General	\$ 1,550,522	\$ 20,082,023	\$ 19,190,489	\$ 200,699	\$ 2,642,755	\$ 20,111,953	\$ 19,161,335	\$ 20,452	\$ 3,613,825		
Debt Service	486,643	2,873,626	2,159,708	(982,937)	217,624	1,191,554	1,081,462	11,782	339,498		
Retirement/Severance Bond Debt Service	60,789	891,118	835,900	(16,668)	99,339	878,276	838,512	-	139,103		
Referendum Debt Exempt Capital	-	1,896,828	1,665,000	708,622	940,450	3,925,201	3,326,194	-	1,539,457		
Capital Projects	5,718,502	4,065,067	2,569,962	(312,355)	6,901,252	4,146,681	3,789,775	(360,826)	6,897,332		
School Transportation	465,692	1,386,407	1,842,081	835,739	845,757	1,028,717	1,798,518	12,937	88,893		
School Bus Replacement	28	478,671	-	(138,404)	340,295	539,434	451,396	48,535	476,868		
Rainy Day	1,380,802	-	46,841	1,000,000	2,333,961	-	93,625	448,360	2,688,696		
Retirement/Severance Bond	37,978	129	38,107	-	-	-	-	-	-		
Post-Retirement/Severance Future Benefits	107,136	619	10,693	-	97,062	213	29,047	-	68,228		
Construction	2,701,426	9,739	1,514,505	-	1,196,660	1,723	988,693	-	209,690		
School Lunch	369,036	1,377,825	1,300,883	-	445,978	1,362,205	1,331,797	-	476,386		
Textbook Rental	143,184	290,611	92,237	14,233	355,791	317,206	585,974	19,610	106,633		
Self-Insurance	2,456,029	2,968,657	3,233,492	-	2,191,194	3,165,809	3,281,727	-	2,075,276		
Levy Excess	1,053,918	91,198	-	(1,144,631)	485	59,283	-	-	59,768		
Educational License Plates	10,341	547	500	-	10,388	407	500	-	10,295		
Alternative Education	13,302	-	13,302	-	-	8,770	8,770	-	-		
Alternative Education 2011	-	8,170	8,170	-	-	-	-	-	-		
Prepaid Lunch	6,836	549,207	547,510	-	8,533	541,378	540,189	-	9,722		
SAFE Haven Grant 2012	-	-	-	-	-	20,000	20,000	-	-		
Jasper County Foundation	1,286	1,000	2,286	-	-	-	-	-	-		
Youth Institute Grant	-	-	-	-	-	688	241	-	447		
HAL-High Ability Learner 2011	-	39,816	23,940	-	15,876	-	15,876	-	-		
HAL-High Ability Learner 2012	-	-	-	-	-	38,759	34,822	-	3,937		
Payroll Clearing	97,282	5,444,654	5,539,538	-	2,398	5,657,003	5,651,301	-	8,100		
High Abilities Grant	15,541	-	15,541	-	-	-	-	-	-		
Medicaid Reimbursement	9,618	11,497	-	(8,235)	12,880	14,229	-	(12,997)	14,112		
Non-English Speaking Programs 2011	-	17,694	17,694	-	-	-	-	-	-		
Non-English Speaking Programs 2012	-	-	-	-	-	15,347	15,347	-	-		
Non-English Speaking Grant 2009-2010	3,327	-	3,327	-	-	-	-	-	-		
School Technology	21,294	20,876	18,300	-	23,870	40,231	39,402	-	24,699		
Performance Award	-	20,000	-	-	20,000	-	17,198	-	2,802		

The notes to the financial statement are an integral part of this statement.

KANKAKEE VALLEY SCHOOL CORPORATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2011 and 2012  
(Continued)

Fund	Cash and Investments 07-01-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12
Drug-Free Jasper County Fund #1	5,000	-	-	-	5,000	-	723	-	4,277
Drug-Free Jasper County Fund #3	-	5,000	-	-	5,000	-	-	-	5,000
Drug-Free Jasper County Fund #4	-	-	-	-	-	3,000	-	-	3,000
Drug-Free Jasper County Fund #2	3,722	-	1,390	-	2,332	-	2,332	-	-
Miscellaneous Programs	1,208	571	32	-	1,747	3,580	2,849	-	2,478
Advance Placement	154	-	-	-	154	-	-	-	154
Excess PTRC Distributions	284,274	-	-	(142,137)	142,137	-	-	(142,137)	-
Department of Health	-	350	350	-	-	-	-	-	-
Title I 4100	-	134,708	226,863	11,157	(80,998)	188,166	107,168	-	-
Title I 4101	-	-	-	-	-	167,648	255,862	-	(88,214)
Title I 4109	92,935	26,123	102,901	(16,157)	-	-	-	-	-
Title I Christian Haven 4110	-	-	-	662	662	91,542	92,204	-	-
Title One Christian Haven 4119	84,179	13,000	95,305	(1,874)	-	-	-	-	-
Title 1 Migrant 2009-2010	2,237	-	2,237	-	-	-	-	-	-
Drug Free Schools 5888	1,083	-	1,083	-	-	-	-	-	-
Drug Free Schools 5889	-	3,234	4,991	-	(1,757)	4,719	2,962	-	-
Medicaid Reimbursement - Federal	94,573	29,529	24,164	-	99,938	52,823	7,764	-	144,997
Improving Teaching Quality, No Child Left, Title II, Part A	-	-	-	-	-	48,879	111,816	-	(62,937)
Title II Part A 6841	-	-	-	-	-	-	67,310	-	(67,310)
Title II Part A 6848	17,987	-	17,987	-	-	-	-	-	-
Title II Part A 6849	2	70,932	96,036	(1,800)	(26,902)	46,259	19,357	-	-
Title III/LEP 6880	-	820	17,255	-	(16,435)	17,020	585	-	-
Title III/LEP 6881	-	-	-	-	-	-	18,430	-	(18,430)
Title III/LEP 6889	5,530	-	5,530	-	-	-	-	-	-
Title I - Grants to LEAs	21,254	32,609	70,386	(615)	(17,138)	60,563	45,290	(1,462)	(3,327)
Special Education - Part B	39,645	88,931	201,927	-	(73,351)	256,227	182,876	-	-
Title I - Part D, Subpart 2	4,266	18,438	31,364	-	(8,660)	19,897	11,237	-	-
Education Jobs	-	-	-	-	-	360,243	536,917	-	(176,674)
Totals	<u>\$ 17,368,561</u>	<u>\$ 42,950,224</u>	<u>\$ 41,589,807</u>	<u>\$ 5,299</u>	<u>\$ 18,734,277</u>	<u>\$ 44,385,633</u>	<u>\$ 44,567,383</u>	<u>\$ 44,254</u>	<u>\$ 18,596,781</u>

The notes to the financial statement are an integral part of this statement.

KANKAKEE VALLEY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

The accompanying financial statement presents the financial information for the School Corporation.

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

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

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include the following sources:

Local sources which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

Intermediate sources which include distributions from the County for fees collected for or on behalf of the School Corporation including educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

State sources include distributions from the State of Indiana and are to be used by the School Corporation for various purposes. Included in state sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

KANKAKEE VALLEY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Federal sources include distributions from the federal government and are to be used by the School Corporation for various purposes. Included in federal sources are unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated as tax anticipation warrants, must be repaid from the next semi-annual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

Other receipts which include amounts received from various sources which include return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include the following uses:

Instruction which includes outflows for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services which include outflows for support services related to students, instruction, general administration, and school administration. It also includes outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services which include outflows for food service operations, and community service operations.

Facilities acquisition and construction which includes outflows for the acquisition, development, construction, and improvement of new and existing facilities.

Debt services which include fixed obligations resulting from financial transactions previously entered into by the School Corporation. It includes all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, funds held temporarily for an authorized recipient and self-insurance payments.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget.

KANKAKEE VALLEY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Other Financing Sources and Uses*

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses may include the following:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

Transfers in which includes money received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

Transfers out which includes money paid by one fund to another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the School Corporation. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the School Corporation. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the School Corporation in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

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

KANKAKEE VALLEY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the School Corporation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plans**

*A. Teacher's Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 286-3544

KANKAKEE VALLEY SCHOOL CORPORATION  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

B. Defined Contribution Pension Plan

American United Life Savings Plan

Plan Description

The School Corporation has a defined contribution pension plan for noncertified employees administered by American United Life as authorized by Indiana Code 5-10-1.1 and qualifies under Section 401(a). The savings plan entered into July 1, 1986, is a defined contribution plan with amounts credited and allocated to an account for each participant. Under a defined contribution plan there are no unfunded liabilities to the School Corporation.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members are established by the written agreement between the School Corporation and the Plan Administrator. Plan members are required to contribute 3 percent of the annual covered salary. The School Corporation is required to contribute at an actuarially determined rate. The current rate is 5 percent of the employee's annual gross earnings. Employer and employee contributions to the plan for the years ending June 30, 2011 and 2012, were \$185,502 and \$178,190, respectively.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://mustang.doe.state.in.us/TRENDS/fin.cfm>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Financial Reports of the School Corporation which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the School Corporation. It is presented as intended by the School Corporation.

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011

	General	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 1,550,522	\$ 486,643	\$ 60,789	\$ -	\$ 5,718,502	\$ 465,692	\$ 28	\$ 1,380,802	\$ 37,978
Receipts:									
Local sources	488,451	2,873,626	891,118	1,896,828	4,057,127	964,600	478,671	-	129
Intermediate sources	1,124	-	-	-	-	-	-	-	-
State sources	19,577,866	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	409,491	-	-	-
Other	14,582	-	-	-	7,940	12,316	-	-	-
Total receipts	20,082,023	2,873,626	891,118	1,896,828	4,065,067	1,386,407	478,671	-	129
Disbursements:									
Current:									
Instruction	13,831,562	-	-	-	-	-	-	24,598	38,107
Support services	5,054,640	-	-	-	1,368,511	1,392,126	-	22,243	-
Noninstructional services	304,287	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	1,201,451	-	-	-	-
Debt services	-	2,159,708	835,900	1,665,000	-	449,955	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	19,190,489	2,159,708	835,900	1,665,000	2,569,962	1,842,081	-	46,841	38,107
Excess (deficiency) of receipts over disbursements	891,534	713,918	55,218	231,828	1,495,105	(455,674)	478,671	(46,841)	(37,978)
Other financing sources (uses)									
Sale of capital assets	2,808	-	-	-	21	2,470	-	-	-
Transfers in	197,891	150,121	33,332	708,622	310,453	833,269	28,996	1,000,000	-
Transfers out	-	(1,133,058)	(50,000)	-	(622,829)	-	(167,400)	-	-
Total other financing sources (uses)	200,699	(982,937)	(16,668)	708,622	(312,355)	835,739	(138,404)	1,000,000	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,092,233	(269,019)	38,550	940,450	1,182,750	380,065	340,267	953,159	(37,978)
Cash and investments - ending	\$ 2,642,755	\$ 217,624	\$ 99,339	\$ 940,450	\$ 6,901,252	\$ 845,757	\$ 340,295	\$ 2,333,961	\$ -

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Post Retirement/ Severance Future Benefits	Construction	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Alternative Education 2010-2011
Cash and investments - beginning	\$ 107,136	\$ 2,701,426	\$ 369,036	\$ 143,184	\$ 2,456,029	\$ 1,053,918	\$ 10,341	\$ 13,302	\$ -
Receipts:									
Local sources	619	9,739	738,026	200,878	2,968,657	91,198	59	-	-
Intermediate sources	-	-	-	-	-	-	488	-	-
State sources	-	-	19,658	88,962	-	-	-	-	8,170
Federal sources	-	-	618,903	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	1,238	771	-	-	-	-	-
Total receipts	619	9,739	1,377,825	290,611	2,968,657	91,198	547	-	8,170
Disbursements:									
Current:									
Instruction	10,693	-	-	-	-	-	-	13,302	8,170
Support services	-	1,514,505	7,979	92,237	12	-	-	-	-
Noninstructional services	-	-	1,292,904	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	3,233,480	-	500	-	-
Total disbursements	10,693	1,514,505	1,300,883	92,237	3,233,492	-	500	13,302	8,170
Excess (deficiency) of receipts over disbursements	(10,074)	(1,504,766)	76,942	198,374	(264,835)	91,198	47	(13,302)	-
Other financing sources (uses)									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	14,233	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,144,631)	-	-	-
Total other financing sources (uses)	-	-	-	14,233	-	(1,144,631)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10,074)	(1,504,766)	76,942	212,607	(264,835)	(1,053,433)	47	(13,302)	-
Cash and investments - ending	\$ 97,062	\$ 1,196,660	\$ 445,978	\$ 355,791	\$ 2,191,194	\$ 485	\$ 10,388	\$ -	\$ -

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Prepaid Lunch	SAFE Haven Grant 2012	Jasper County Foundation	Youth Institute Grant	HAL- High Ability Learner 2011	HAL- High Ability Learner 2012	Payroll Clearing	High Abilities Grant	Medicaid Reimbursement
Cash and investments - beginning	\$ 6,836	\$ -	\$ 1,286	\$ -	\$ -	\$ -	\$ 97,282	\$ 15,541	\$ 9,618
Receipts:									
Local sources	-	-	1,000	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	39,816	-	-	-	11,497
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	549,207	-	-	-	-	-	5,444,654	-	-
Total receipts	549,207	-	1,000	-	39,816	-	5,444,654	-	11,497
Disbursements:									
Current:									
Instruction	-	-	2,286	-	23,940	-	-	15,541	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	547,510	-	-	-	-	-	5,539,538	-	-
Total disbursements	547,510	-	2,286	-	23,940	-	5,539,538	15,541	-
Excess (deficiency) of receipts over disbursements	1,697	-	(1,286)	-	15,876	-	(94,884)	(15,541)	11,497
Other financing sources (uses)									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(8,235)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(8,235)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,697	-	(1,286)	-	15,876	-	(94,884)	(15,541)	3,262
Cash and investments - ending	\$ 8,533	\$ -	\$ -	\$ -	\$ 15,876	\$ -	\$ 2,398	\$ -	\$ 12,880

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Non-English Speaking Programs 2011	Non-English Speaking Programs 2012	Non-English Speaking Grant 2009-2010	School Technology	Performance Award	Drug-Free Jasper County Fund #1	Drug-Free Jasper County Fund #3	Drug-Free Jasper County Fund #4	Drug-Free Jasper County Fund #2
Cash and investments - beginning	\$ -	\$ -	\$ 3,327	\$ 21,294	\$ -	\$ 5,000	\$ -	\$ -	\$ 3,722
Receipts:									
Local sources	-	-	-	15,450	-	-	5,000	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	17,694	-	-	5,426	20,000	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	17,694	-	-	20,876	20,000	-	5,000	-	-
Disbursements:									
Current:									
Instruction	17,694	-	1,558	-	-	-	-	-	-
Support services	-	-	1,769	18,300	-	-	-	-	1,390
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	17,694	-	3,327	18,300	-	-	-	-	1,390
Excess (deficiency) of receipts over disbursements	-	-	(3,327)	2,576	20,000	-	5,000	-	(1,390)
Other financing sources (uses)									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(3,327)	2,576	20,000	-	5,000	-	(1,390)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 23,870	\$ 20,000	\$ 5,000	\$ 5,000	\$ -	\$ 2,332

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Miscellaneous Programs	Advance Placement	Excess PTRC Distributions	Department of Health	Title I 4100	Title I 4101	Title I 4109	Title I Christian Haven 4110	Title I Christian Haven 4119
Cash and investments - beginning	\$ 1,208	\$ 154	\$ 284,274	\$ -	\$ -	\$ -	\$ 92,935	\$ -	\$ 84,179
Receipts:									
Local sources	571	-	-	350	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	134,708	-	26,123	-	13,000
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	571	-	-	350	134,708	-	26,123	-	13,000
Disbursements:									
Current:									
Instruction	32	-	-	-	205,314	-	84,974	-	91,539
Support services	-	-	-	350	19,285	-	17,777	-	3,766
Noninstructional services	-	-	-	-	2,264	-	150	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	32	-	-	350	226,863	-	102,901	-	95,305
Excess (deficiency) of receipts over disbursements	539	-	-	-	(92,155)	-	(76,778)	-	(82,305)
Other financing sources (uses)									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	11,157	-	-	662	-
Transfers out	-	-	(142,137)	-	-	-	(16,157)	-	(1,874)
Total other financing sources (uses)	-	-	(142,137)	-	11,157	-	(16,157)	662	(1,874)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	539	-	(142,137)	-	(80,998)	-	(92,935)	662	(84,179)
Cash and investments - ending	\$ 1,747	\$ 154	\$ 142,137	\$ -	\$ (80,998)	\$ -	\$ -	\$ 662	\$ -

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Title I Migrant 2009-2010	Drug Free Schools 5888	Drug Free Schools 5889	Medicaid Reimbursement Federal	Improving Teaching Quality No Child Left Title II, Part A	Title II Part A 6841	Title II Part A 6848	Title II Part A 6849
Cash and investments - beginning	\$ 2,237	\$ 1,083	\$ -	\$ 94,573	\$ -	\$ -	\$ 17,987	\$ 2
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	3,234	29,529	-	-	-	70,932
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	3,234	29,529	-	-	-	70,932
Disbursements:								
Current:								
Instruction	750	-	-	3,054	-	-	16,860	83,334
Support services	1,487	1,083	4,991	21,110	-	-	1,127	12,702
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	2,237	1,083	4,991	24,164	-	-	17,987	96,036
Excess (deficiency) of receipts over disbursements	(2,237)	(1,083)	(1,757)	5,365	-	-	(17,987)	(25,104)
Other financing sources (uses)								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(1,800)
Total other financing sources (uses)	-	-	-	-	-	-	-	(1,800)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,237)	(1,083)	(1,757)	5,365	-	-	(17,987)	(26,904)
Cash and investments - ending	\$ -	\$ -	\$ (1,757)	\$ 99,938	\$ -	\$ -	\$ -	\$ (26,902)

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2011  
 (Continued)

	Title III/ LEP 6880	Title III/ LEP 6881	Title III/ LEP 6889	Title I Grants to LEAs	Special Education Part B	Title I Part D Subpart 2	Education Jobs	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 5,530	\$ 21,254	\$ 39,645	\$ 4,266	\$ -	\$ 17,368,561
Receipts:								
Local sources	-	-	-	-	-	-	-	15,682,097
Intermediate sources	-	-	-	-	-	-	-	1,612
State sources	-	-	-	-	-	-	-	19,789,089
Federal sources	820	-	-	32,609	88,931	18,438	-	1,037,227
Temporary loans	-	-	-	-	-	-	-	409,491
Other	-	-	-	-	-	-	-	6,030,708
Total receipts	820	-	-	32,609	88,931	18,438	-	42,950,224
Disbursements:								
Current:								
Instruction	17,255	-	2,916	65,776	154,474	31,200	-	14,744,929
Support services	-	-	2,614	3,780	47,453	-	-	9,611,237
Noninstructional services	-	-	-	830	-	-	-	1,600,435
Facilities acquisition and construction	-	-	-	-	-	-	-	1,201,451
Debt services	-	-	-	-	-	-	-	5,110,563
Nonprogrammed charges	-	-	-	-	-	164	-	9,321,192
Total disbursements	17,255	-	5,530	70,386	201,927	31,364	-	41,589,807
Excess (deficiency) of receipts over disbursements	(16,435)	-	(5,530)	(37,777)	(112,996)	(12,926)	-	1,360,417
Other financing sources (uses)								
Sale of capital assets	-	-	-	-	-	-	-	5,299
Transfers in	-	-	-	-	-	-	-	3,288,736
Transfers out	-	-	-	(615)	-	-	-	(3,288,736)
Total other financing sources (uses)	-	-	-	(615)	-	-	-	5,299
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,435)	-	(5,530)	(38,392)	(112,996)	(12,926)	-	1,365,716
Cash and investments - ending	\$ (16,435)	\$ -	\$ -	\$ (17,138)	\$ (73,351)	\$ (8,660)	\$ -	\$ 18,734,277

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012

	General	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 2,642,755	\$ 217,624	\$ 99,339	\$ 940,450	\$ 6,901,252	\$ 845,757	\$ 340,295	\$ 2,333,961	\$ -
Receipts:									
Local sources	502,365	1,191,554	878,276	3,925,201	3,837,440	997,752	539,434	-	-
Intermediate sources	1,124	-	-	-	-	-	-	-	-
State sources	19,564,879	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	43,585	-	-	-	309,241	30,965	-	-	-
Total receipts	20,111,953	1,191,554	878,276	3,925,201	4,146,681	1,028,717	539,434	-	-
Disbursements:									
Current:									
Instruction	13,623,132	-	-	-	-	-	-	-	-
Support services	5,252,799	-	-	-	1,588,952	1,389,027	451,396	93,625	-
Noninstructional services	285,404	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	2,200,823	-	-	-	-
Debt services	-	1,081,462	838,512	3,326,194	-	409,491	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	19,161,335	1,081,462	838,512	3,326,194	3,789,775	1,798,518	451,396	93,625	-
Excess (deficiency) of receipts over disbursements	950,618	110,092	39,764	599,007	356,906	(769,801)	88,038	(93,625)	-
Other financing sources (uses)									
Sale of capital assets	5,993	-	-	-	-	2,520	35,741	-	-
Transfers in	14,459	31,392	-	-	254,994	10,417	12,794	448,360	-
Transfers out	-	(19,610)	-	-	(615,820)	-	-	-	-
Total other financing sources (uses)	20,452	11,782	-	-	(360,826)	12,937	48,535	448,360	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	971,070	121,874	39,764	599,007	(3,920)	(756,864)	136,573	354,735	-
Cash and investments - ending	\$ 3,613,825	\$ 339,498	\$ 139,103	\$ 1,539,457	\$ 6,897,332	\$ 88,893	\$ 476,868	\$ 2,688,696	\$ -

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Post Retirement/ Severance Future Benefits	Construction	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Alternative Education 2010-2011
Cash and investments - beginning	\$ 97,062	\$ 1,196,660	\$ 445,978	\$ 355,791	\$ 2,191,194	\$ 485	\$ 10,388	\$ -	\$ -
Receipts:									
Local sources	213	1,723	720,254	216,106	3,165,809	59,283	32	-	-
Intermediate sources	-	-	-	-	-	-	375	-	-
State sources	-	-	19,816	100,475	-	-	-	8,770	-
Federal sources	-	-	620,466	-	-	-	-	-	-
Other	-	-	1,669	625	-	-	-	-	-
Total receipts	213	1,723	1,362,205	317,206	3,165,809	59,283	407	8,770	-
Disbursements:									
Current:									
Instruction	29,047	-	-	-	-	-	-	8,770	-
Support services	-	988,693	13,542	585,974	25	-	-	-	-
Noninstructional services	-	-	1,318,255	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	3,281,702	-	500	-	-
Total disbursements	29,047	988,693	1,331,797	585,974	3,281,727	-	500	8,770	-
Excess (deficiency) of receipts over disbursements	(28,834)	(986,970)	30,408	(268,768)	(115,918)	59,283	(93)	-	-
Other financing sources (uses)									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	19,610	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	19,610	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(28,834)	(986,970)	30,408	(249,158)	(115,918)	59,283	(93)	-	-
Cash and investments - ending	\$ 68,228	\$ 209,690	\$ 476,386	\$ 106,633	\$ 2,075,276	\$ 59,768	\$ 10,295	\$ -	\$ -

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Prepaid Lunch	SAFE Haven Grant 2012	Jasper County Foundation	Youth Institute Grant	HAL- High Ability Learner 2011	HAL- High Ability Learner 2012	Payroll Clearing	High Abilities Grant	Medicaid Reimbursement
Cash and investments - beginning	\$ 8,533	\$ -	\$ -	\$ -	\$ 15,876	\$ -	\$ 2,398	\$ -	\$ 12,880
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	688	-	-	-	-	-
State sources	-	20,000	-	-	-	38,759	-	-	14,229
Federal sources	-	-	-	-	-	-	-	-	-
Other	541,378	-	-	-	-	-	5,657,003	-	-
Total receipts	541,378	20,000	-	688	-	38,759	5,657,003	-	14,229
Disbursements:									
Current:									
Instruction	-	-	-	-	15,050	34,822	-	-	-
Support services	-	20,000	-	241	826	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	540,189	-	-	-	-	-	5,651,301	-	-
Total disbursements	540,189	20,000	-	241	15,876	34,822	5,651,301	-	-
Excess (deficiency) of receipts over disbursements	1,189	-	-	447	(15,876)	3,937	5,702	-	14,229
Other financing sources (uses)									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(12,997)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	(12,997)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,189	-	-	447	(15,876)	3,937	5,702	-	1,232
Cash and investments - ending	\$ 9,722	\$ -	\$ -	\$ 447	\$ -	\$ 3,937	\$ 8,100	\$ -	\$ 14,112

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Non-English Speaking Programs 2011	Non-English Speaking Programs 2012	Non-English Speaking Grant 2009-2010	School Technology	Performance Award	Drug-Free Jasper County Fund #1	Drug-Free Jasper County Fund #3	Drug-Free Jasper County Fund #4	Drug-Free Jasper County Fund #2
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 23,870	\$ 20,000	\$ 5,000	\$ 5,000	\$ -	\$ 2,332
Receipts:									
Local sources	-	-	-	34,641	-	-	-	3,000	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	15,347	-	5,590	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	15,347	-	40,231	-	-	-	3,000	-
Disbursements:									
Current:									
Instruction	-	15,347	-	-	17,198	-	-	-	-
Support services	-	-	-	39,402	-	723	-	-	2,332
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	15,347	-	39,402	17,198	723	-	-	2,332
Excess (deficiency) of receipts over disbursements	-	-	-	829	(17,198)	(723)	-	3,000	(2,332)
Other financing sources (uses)									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	829	(17,198)	(723)	-	3,000	(2,332)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 24,699	\$ 2,802	\$ 4,277	\$ 5,000	\$ 3,000	\$ -

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Miscellaneous Programs	Advance Placement	Excess PTRC Distributions	Department of Health	Title I 4100	Title I 4101	Title I 4109	Title I Christian Haven 4110	Title I Christian Haven 4119
Cash and investments - beginning	\$ 1,747	\$ 154	\$ 142,137	\$ -	\$ (80,998)	\$ -	\$ -	\$ 662	\$ -
Receipts:									
Local sources	3,580	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	188,166	167,648	-	91,542	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	3,580	-	-	-	188,166	167,648	-	91,542	-
Disbursements:									
Current:									
Instruction	2,849	-	-	-	93,599	236,058	-	87,095	-
Support services	-	-	-	-	8,782	17,829	-	5,109	-
Noninstructional services	-	-	-	-	414	1,975	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	4,373	-	-	-	-
Total disbursements	2,849	-	-	-	107,168	255,862	-	92,204	-
Excess (deficiency) of receipts over disbursements	731	-	-	-	80,998	(88,214)	-	(662)	-
Other financing sources (uses)									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(142,137)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(142,137)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	731	-	(142,137)	-	80,998	(88,214)	-	(662)	-
Cash and investments - ending	\$ 2,478	\$ 154	\$ -	\$ -	\$ -	\$ (88,214)	\$ -	\$ -	\$ -

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Title I Migrant 2009-2010	Drug Free Schools 5888	Drug Free Schools 5889	Medicaid Reimbursement Federal	Improving Teaching Quality No Child Left Title II, Part A	Title II Part A 6841	Title II Part A 6848	Title II Part A 6849
Cash and investments - beginning	\$ -	\$ -	\$ (1,757)	\$ 99,938	\$ -	\$ -	\$ -	\$ (26,902)
Receipts:								
Local sources	-	-	-	18,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	4,719	34,823	48,879	-	-	46,259
Other	-	-	-	-	-	-	-	-
Total receipts	-	-	4,719	52,823	48,879	-	-	46,259
Disbursements:								
Current:								
Instruction	-	-	-	4,553	96,469	-	-	18,219
Support services	-	-	2,962	3,211	15,347	67,310	-	1,138
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	2,962	7,764	111,816	67,310	-	19,357
Excess (deficiency) of receipts over disbursements	-	-	1,757	45,059	(62,937)	(67,310)	-	26,902
Other financing sources (uses)								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	1,757	45,059	(62,937)	(67,310)	-	26,902
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 144,997	\$ (62,937)	\$ (67,310)	\$ -	\$ -

KANKAKEE VALLEY SCHOOL CORPORATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended June 30, 2012  
 (Continued)

	Title III/ LEP 6880	Title III/ LEP 6881	Title III/ LEP 6889	Title I Grants to LEAs	Special Education Part B	Title I Part D Subpart 2	Education Jobs	Totals
Cash and investments - beginning	\$ (16,435)	\$ -	\$ -	\$ (17,138)	\$ (73,351)	\$ (8,660)	\$ -	\$ 18,734,277
Receipts:								
Local sources	-	-	-	-	-	-	-	16,094,663
Intermediate sources	-	-	-	-	-	-	-	2,187
State sources	-	-	-	-	-	-	-	19,787,865
Federal sources	17,020	-	-	60,563	256,227	19,897	360,243	1,916,452
Other	-	-	-	-	-	-	-	6,584,466
Total receipts	17,020	-	-	60,563	256,227	19,897	360,243	44,385,633
Disbursements:								
Current:								
Instruction	585	18,143	-	32,505	54,213	11,237	536,917	14,935,808
Support services	-	287	-	10,819	128,663	-	-	10,689,014
Noninstructional services	-	-	-	1,966	-	-	-	1,608,014
Facilities acquisition and construction	-	-	-	-	-	-	-	2,200,823
Debt services	-	-	-	-	-	-	-	5,655,659
Nonprogrammed charges	-	-	-	-	-	-	-	9,478,065
Total disbursements	585	18,430	-	45,290	182,876	11,237	536,917	44,567,383
Excess (deficiency) of receipts over disbursements	16,435	(18,430)	-	15,273	73,351	8,660	(176,674)	(181,750)
Other financing sources (uses)								
Sale of capital assets	-	-	-	-	-	-	-	44,254
Transfers in	-	-	-	-	-	-	-	792,026
Transfers out	-	-	-	(1,462)	-	-	-	(792,026)
Total other financing sources (uses)	-	-	-	(1,462)	-	-	-	44,254
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	16,435	(18,430)	-	13,811	73,351	8,660	(176,674)	(137,496)
Cash and investments - ending	\$ -	\$ (18,430)	\$ -	\$ (3,327)	\$ -	\$ -	\$ (176,674)	\$ 18,596,781

KANKAKEE VALLEY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 June 30, 2012

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Capital leases:		
KV Intermediate School Bonds	\$ 3,085,000	\$ 1,075,972
KV Middle School Bonds	56,830,000	4,439,091
Bonds payable:		
General obligation bonds:		
Pension Bonds	<u>1,975,000</u>	<u>840,438</u>
Total debt	<u>\$ 61,890,000</u>	<u>\$ 6,355,501</u>

KANKAKEE VALLEY SCHOOL CORPORATION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 June 30, 2012

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

	<u>Ending Balance</u>
Other:	
Capital assets, not being depreciated:	
Land	\$ 2,499,517
Infrastructure	283,310
Buildings	105,971,694
Improvements other than buildings	24,109,312
Machinery and equipment	11,464,223
Construction in progress	<u>458,534</u>
Total capital assets not being depreciated	<u>\$ 144,786,590</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE KANKAKEE VALLEY SCHOOL  
CORPORATION, JASPER COUNTY, INDIANA

Compliance

We have audited Kankakee Valley School Corporation's (School Corporation) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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 the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2010 to June 30, 2012.

Internal Control Over Compliance

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

A deficiency in internal control over compliance 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, 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.

Our consideration of the 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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

STATE BOARD OF ACCOUNTS

October 17, 2012

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#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the School Corporation. The schedule and notes are presented as intended by the School Corporation.

KANKAKEE VALLEY SCHOOL CORPORATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended June 30, 2011 and 2012

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-11	Total Federal Awards Expended 06-30-12
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass Through-Indiana Department of Education Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 113,753	\$ 119,601
National School Lunch Program	10.555		<u>590,604</u>	<u>600,366</u>
Total for federal grantor agency			<u>704,357</u>	<u>719,967</u>
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Pass Through-Indiana Department of Education Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010	10-3785	204,418	-
		11-3785	226,865	199,369
		12-3785	-	167,648
ARRA Title 1 Grants to Local Educational Agencies, Recovery Act	84.389	SY 10	<u>71,000</u>	<u>46,175</u>
Total for cluster			<u>502,283</u>	<u>413,192</u>
Pass-Through West Central School Corporation Special Education Cluster (IDEA)				
ARRA Special Education - Grants to States, Recovery Act	84.391		<u>201,926</u>	<u>182,878</u>
Total for cluster			<u>201,926</u>	<u>182,878</u>
Pass-Through-Indiana Department of Education Migrant Education_State Grant Program	84.011	09-10	<u>750</u>	-
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013		<u>31,364</u>	<u>11,236</u>
			-	-
Safe and Drug-Free Schools and Communities_State Grants	84.186	08-3785	1,083	-
		09-3785	<u>4,991</u>	<u>2,962</u>
English Language Acquisition Grants	84.365	09-10	5,530	-
		10-11	<u>17,255</u>	<u>585</u>
Total for program			<u>22,785</u>	<u>585</u>
Improving Teacher Quality State Grants	84.367	08-3785	17,574	-
		09-3785	97,836	19,357
		10-3785	<u>-</u>	<u>48,879</u>
Total for program			<u>115,410</u>	<u>68,236</u>
Education Jobs Fund	84.410		<u>-</u>	<u>360,244</u>
Total for federal grantor agency			<u>880,592</u>	<u>1,039,333</u>
Total federal awards expended			<u>\$ 1,584,949</u>	<u>\$ 1,759,300</u>

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

KANKAKEE VALLEY SCHOOL CORPORATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Kankakee Valley School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

**Note 2. Subrecipients**

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2011 and 2012:

Program Title	Federal CFDA Number	2010-2011	2011-2012
Title I Grants to Local Educational Agencies	81.010	\$ 96,517	\$ 92,204

**Note 3. Noncash Assistance**

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2011 and 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010-2011	2011-2012
School Breakfast Program	10.553	\$ 13,775	\$ 16,529
National School Lunch Program	10.555	71,581	82,973

KANKAKEE VALLEY SCHOOL CORPORATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.410	Child Nutrition Cluster Title I, Part A Cluster Special Education Cluster (IDEA) ARRA Education Jobs Fund

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable.

KANKAKEE VALLEY SCHOOL CORPORATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Section II - Financial Statement Findings

FINDING 2010-1, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING  
Corrective action was taken.

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-2 INTERNAL CONTROL

Federal Agency: U.S. Department of Agriculture  
Pass-Through: Indiana Department of Education  
Federal Program: Child Nutrition Cluster – National School Lunch Program  
CFDA Number: 10.555

Corrective action was taken.

FINDING 2010-3 INTERNAL CONTROL

Federal Agency: U.S. Department of Education  
Pass-Through: Indiana Department of Education  
Federal Program: Title I, Part A Cluster  
CFDA Number: 84.010

Corrective action was taken.

FINDING 2010-4 INTERNAL CONTROL

Federal Agency: U.S. Department of Education  
Pass-Through: Cooperative School Service for Education  
Federal Program: Special Education Grants to States, Recovery Act  
CFDA Number: 84.391

Corrective action was taken.

FINDING 2010-5 INTERNAL CONTROL

Federal Agency: U.S. Department of Education  
Pass-Through: Indiana Department of Education  
Federal Program: State Fiscal Stabilization Fund-Education State Grants, Recovery Act  
CFDA Number: 84.394

Corrective action was taken.

KANKAKEE VALLEY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on October 17, 2012, with Carol Deardorff, Treasurer; Sharon Sanelli, Superintendent of Schools; and Iran Floyd, Assistant Superintendent of Schools. Our audit disclosed no material items that warrant comment at this time.

A second exit conference was held with Carol Deardorff, Treasurer, on December 5, 2012, to discuss changes to the Independent Auditor's Report.