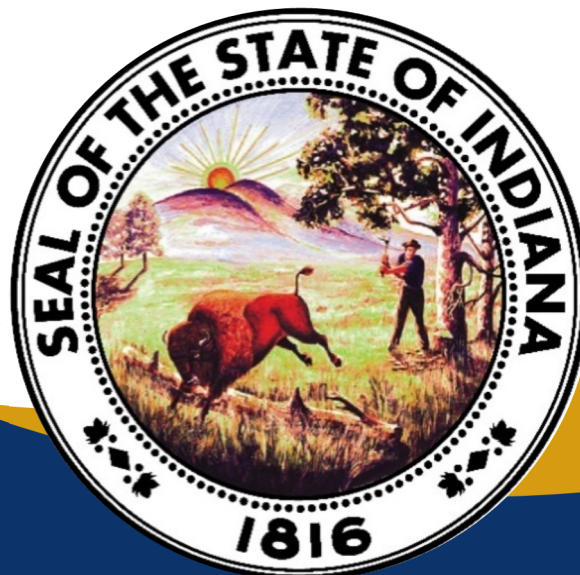


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

**Paul D. Joyce, CPA
State Examiner**

FEDERAL COMPLIANCE AUDIT REPORT
OF
KANKAKEE VALLEY SCHOOL CORPORATION
JASPER COUNTY, INDIANA
July 1, 2022 to June 30, 2024



FILED

03/25/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Financial Officer/Treasurer	Carol Deardorff	07-01-22 to 01-09-23
Business Manager/Treasurer	Chris Richie	01-10-23 to 06-30-25
Superintendent of Schools	Donald Street	07-01-22 to 06-30-25
President of the School Board	Jill Duttlinger Kristy Stowers	07-01-22 to 12-31-23 01-01-24 to 06-30-25



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

INDEPENDENT AUDITOR'S 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, 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, the financial statement of the Kankakee Valley School Corporation (School Corporation), for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement, which collectively comprise the School Corporation's financial statement and have issued our report thereon dated March 13, 2025, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, as described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001, that we consider to be material weaknesses.

INDEPENDENT AUDITOR'S 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)

Report on 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

Kankakee Valley School Corporation's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement, and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 13, 2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Kankakee Valley School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2022 to June 30, 2024. 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.

In our opinion, the School Corporation 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 period of July 1, 2022 to June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School Corporation's federal programs.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School Corporation's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002, 2024-003, and 2024-004. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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. We consider the deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2024-002, 2024-003, and 2024-004, to be material weaknesses.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards require the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the School Corporation, as of and for the period of July 1, 2022 to June 30, 2024, and the related notes to the financial statement. We issued our report thereon dated March 13, 2025, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 records 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 itself, 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 as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 13, 2025

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
Department of Agriculture							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
School Breakfast Program			SY2022-2023	\$ -	\$ 346,637	\$ -	\$ -
School Breakfast Program			SY2023-2024	-	-	-	334,382
Total - School Breakfast Program				-	346,637	-	334,382
National School Lunch Program							
School Lunch Program	Indiana Department of Education	10.555					
School Lunch Program			SY2022-2023	-	1,136,754	-	-
School Lunch Program			SY2023-2024	-	-	-	941,127
Snack			SY2022-2023	-	1,347	-	-
Supply Chain Assistance			SY2022-2023	-	157,808	-	-
Supply Chain Assistance			SY2023-2024	-	-	-	99,166
Commodities			SY2022-2023	-	127,195	-	-
Commodities			SY2023-2024	-	-	-	135,822
Total - National School Lunch Program				-	1,423,104	-	1,176,115
Total - Child Nutrition Cluster				-	1,769,741	-	1,510,497
COVID-19 - Pandemic EBT Administrative Costs							
P-EBT Admin Funds	Indiana Department of Education	10.649					
			SY2022-2023	-	3,135	-	-
Total - Department of Agriculture				-	1,772,876	-	1,510,497
Department of Education							
Special Education Cluster (IDEA)							
Special Education Grants to States							
FY2021 Federal Part B 611 Grant	Indiana Department of Education	84.027					
FY2022 Federal Part B 611 Grant			21611-047-PN01	-	28,362	-	-
FY2023 Federal Part B 611 Grant			22611-047-PN01	-	361,974	-	8,929
FY2024 Federal Part B 611 Grant			23611-047-PN01	-	416,654	-	438,422
FY2024 Federal Part B 611 Grant			24611-047-PN01	-	-	-	591,948
Subtotal - Special Education Grants to States				-	806,990	-	1,039,299
COVID-19 - Special Education Grants to States							
COVID-19 - FY 2022 IDEA ARP 611 Grant Totals	Indiana Department of Education	84.027					
			22611-047-ARP	-	121,148	-	60,041
Total - Special Education Grants to States				-	928,138	-	1,099,340

KANKAKEE VALLEY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
Special Education Preschool Grants	Indiana Department of Education	84.173					
FY2021 Federal Preschool 619 Grant			21619-047-PN01	-	182	-	-
FY2022 Federal Preschool 619 Grant			22619-047-PN01	-	24,611	-	846
FY2023 Federal Preschool 619 Grant			23619-047-PN01	-	12,064	-	16,529
FY2024 Federal Preschool 619 Grant			24619-047-PN01	-	-	-	12,607
Subtotal - Special Education Preschool Grants				-	36,857	-	29,982
COVID-19 - Special Education Preschool Grants	Indiana Department of Education	84.173					
COVID-19 - FY 2022 IDEA ARP 619 Grant Totals			22619-047-ARP	-	137	-	23,999
Total - Special Education Preschool Grants				-	36,994	-	53,981
Total - Special Education Cluster (IDEA)				-	965,132	-	1,153,321
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010					
Title I Part A 2021-2022			S010A210014	-	86,559	-	-
Title I Part A 2022-2023			S010A220014	-	238,069	-	119,423
Title I Part A 2023-2024			S010A230014	-	-	-	287,898
Total - Title I Grants to Local Educational Agencies				-	324,628	-	407,321
English Language Acquisition State Grants	Indiana Department of Education	84.365					
Title III 2019-2021			S365A190014	-	160	-	-
Title III 2020-2022			S365A200014	-	84	-	-
Title III 2021-2023			S365A210014	-	2,337	-	3,488
Title III 2022-2024			S365A220014	-	5,686	-	6,127
Title III 2023-2025			S365A230014	-	-	-	8,501
Total - English Language Acquisition State Grants				-	8,267	-	18,116
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	Indiana Department of Education	84.367					
Title II Improving Teacher Quality 2019-2021			S367A190013	-	3,698	-	-
Title II Improving Teacher Quality 2020-2022			S367A200013	-	16,384	-	-
Teacher Leader Bootcamp			S367A210013	-	3,977	-	-
Title II Improving Teacher Quality 2021-2023			S367A210013	-	21,343	-	15,793
Title II Improving Teacher Quality 2022-2024			S367A220013	-	13,661	-	51,885
Total - Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				-	59,063	-	67,678
Student Support and Academic Enrichment Program	Indiana Department of Education	84.424					
Title IV 2020-2022			S424A200015	-	22,760	-	-
Title IV 2021-2023			S424A210015	-	17,271	-	6,594

KANKAKEE VALLEY SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2023 and 2024

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-23	Total Federal Awards Expended 06-30-23	Passed Through to Subrecipient 06-30-24	Total Federal Awards Expended 06-30-24
Title IV 2022-2023			S424A220015	-	-	-	4,194
Title IV 2023-2024			S424A230015	-	-	-	13,209
Total - Student Support and Academic Enrichment Program				-	40,031	-	23,997
COVID-19 - Education Stabilization Fund	Indiana Department of Education						
ARP-Homeless Children and Youth Grant		84.425W	S425W210015	-	28,500	-	-
GEER Grant		84.425C	S425C200018	-	41,192	-	-
ARP Grant		84.425U	S425U210013	-	23,000	-	23,500
ESSER II		84.425D	S425D210013	-	54,636	-	616,018
ESSER III		84.425U	S425U210013	-	1,126,744	-	689,595
Total - COVID-19 - Education Stabilization Fund				-	1,274,072	-	1,329,113
Total - Department of Education				-	2,671,193	-	2,999,546
Department of Health and Human Services							
Medicaid Cluster							
Medical Assistance Program							
Medical Assistance Program/Federal Medicaid	Indiana Family and Social Services Administration	93.778	SY2022-2023	-	200,715	-	-
Medical Assistance Program/Federal Medicaid			SY2023-2024	-	-	-	128,295
Federal Medicaid/IndianaMAC	Indiana Department of Education		SY2023-2024	-	-	-	65,406
Total - Medical Assistance Program				-	200,715	-	193,701
Total - Medicaid Cluster				-	200,715	-	193,701
Total - Department of Health and Human Services				-	200,715	-	193,701
Department of Homeland Security							
COVID-19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036					
FEMA Covid 19 Funds			FEMA-PA-IN-DR-4515	-	203,098	-	-
Total - Department of Homeland Security				-	203,098	-	-
Total federal awards expended				\$ -	4,847,882	\$ -	\$ 4,703,744

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. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal award activity of the School Corporation under programs of the federal government for the years ended June 30, 2023, and 2024. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

The Uniform Guidance requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 2. Indirect Cost Rate

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. Cooperative School Services

The School Corporation is a member of the Cooperative School Services (Cooperative), which operates the special education program for the School Corporation. As a result, the activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is presented in the financial statement of the Cooperative's fiscal agent.

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; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.425	Special Education Cluster (IDEA) COVID-19 - Education Stabilization Fund	Unmodified Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2024-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Condition and Context

The School Corporation is required to file reports after the close of each fiscal year. The reports are to be filed electronically as prescribed. The School Corporation filed its reports as prescribed; however, the internal controls were not effective over the federal award information entered into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units financial reporting system, which was the source of the School Corporation's Schedule of Expenditures of Federal Awards (SEFA).

KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation did not properly review the federal grant information prepared and submitted into the AFR. Although the Treasurer prepared and entered the federal award information into the AFR, and a separate employee reviewed and approved the information entered, the internal control was not effective and did not detect and allow correction of errors prior to submission.

Due to the lack of effective internal controls, the SEFA included various grants which had individually immaterial errors, but which resulted in a combined material misstatement of \$427,154 and \$404,093 for the fiscal years ended June 30, 2023 and 2024, respectively.

Audit adjustments were proposed, approved by the School Corporation, and made to the SEFA presented in this report.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control . . ."

2 CFR 200.1 states in part:

". . . *Internal controls* for non-Federal entities means:

- (1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:

KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (i) Effectiveness and efficiency of operations;
- (ii) Reliability of reporting for internal and external use; . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

- (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510. . . ."

2 CFR 200.510(b) states:

"Schedule of expenditures of Federal awards. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the Assistance Listings Number or other identifying number when the Assistance Listings information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502(b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414."

Cause

The School Corporation had not developed an effective oversight or review process to ensure the federal grant information was properly reported in the AFR.

KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

Without a proper system of internal controls in place that operated effectively, federal grant information was not properly entered into the AFR, and, therefore, material misstatements on the SEFA remained undetected. The SEFA contained the errors identified in the *Condition and Context*.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2024-002

Subject: Special Education Cluster (IDEA) - Earmarking

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, Special Education Preschool Grants, COVID-19 - Special Education Preschool Grants

Assistance Listings Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 21611-047-PN01, 21619-047-PN01, 22611-047-PN01, 22619-047-PN01, 22619-047-ARP

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Matching, Level of Effort, Earmarking

Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2022-003.

Condition and Context

The School Corporation did not have adequate procedures in place to ensure that the required level of expenditures for nonpublic school students with disabilities was met for each grant award.

The School Corporation was a member of the Cooperative School Services (Cooperative). The Cooperative operated the special education programs and spent the federal money on behalf of its member schools with a portion of the proportionate share being remitted to the member school for earmarking costs. As the grant agreement was between the Indiana Department of Education and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative.

The School Corporation did not have effective internal controls in place to ensure that the required level of expenditures for private school and homeschooled students as nonpublic students were met. The School Corporation received the full earmarking amount from the Cooperative for grant award 21611-047-PN01 and a portion of grant award 22611-047-PN01. The School Corporation spent only a portion of the required proportionate share amount on allowable costs for each grant award tested in the audit period. For grant awards 21611-047-PN01 and 22611-047-PN01, the School Corporation spent \$15,361 and \$14,999, respectively, out of the required amount for the proportionate share of \$48,324 and \$57,883, respectively.

KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

For grant awards 21619-047-PN01, 22619-047-PN01, and 22619-047-ARP, the School Corporation did not expend any amounts as these funds were spent and handled at the Cooperative. Time and effort logs were not maintained to determine if the teachers paid from these funds were performing duties for the nonpublic students; therefore, amounts charged to the grants were not based on actual time spent for the nonpublic students as required. The School Corporation required amount of proportionate share for grant awards 21619-047-PN01, 22619-047-PN01, and 22619-047-ARP was \$926, \$1,913, and \$1,009, respectively.

The lack of internal controls and noncompliance were isolated to 21611-047-PN01, 21619-047-PN01, 22611-047-PN01, 22619-047-PN01, and 22619-047-ARP grant awards.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . .

(g) Be adequately documented. . . ."

2 CFR 200.208(b) states in part: "The Federal awarding agency or pass-through entity may adjust specific Federal award conditions as needed . . ."

511 IAC 7-34-7(b) states:

"The public agency, in providing special education and related services to students in nonpublic schools must expend at least an amount that is the same proportion of the public agency total subgrant under 20 U.S.C. 1411(f) as the number of nonpublic school students with disabilities, who are enrolled by their parents in nonpublic schools within its boundaries, is to the total number of students with disabilities of the same age range."

Cause

Through management inquiry, there was confusion at the School Corporation as to whether the Cooperative or the School Corporation handled what portions of the nonpublic proportionate share expenditures. Upon further inquiry, it was determined that the School Corporation handles the portion for the 611 grants by receiving funds from the Cooperative, and the Cooperative handles the 619 grants. However, proper time and effort logs were not maintained for expenditures used to meet the earmarking requirements; therefore, the School Corporation was not able to meet the required earmarking requirements.

KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

Without the proper implementation of an effectively designed system of internal controls, the School Corporation was unable to ensure compliance with earmarking requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

Management of the School Corporation should develop written policies and procedures which would require tracking of actual nonpublic proportionate share expenditures. Documentation should be maintained to show how these expenditures are being tracked to ensure compliance with the earmarking requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2024-003

Subject: Special Education Cluster (IDEA) - Activities Allowed
or Unallowed, Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, COVID-19 - Special Education
Grants to States, COVID-19 - Special Education Preschool Grants

Assistance Listings Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 22611-047-PN01, 22611-047-ARP,
22619-047-ARP

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition and Context

During fiscal year 2023-2024, the School Corporation was a member of the Cooperative School Services (Cooperative). The Cooperative operated the special education programs and spent the federal money on behalf of its member schools. As the grant agreement was between the Indiana Department of Education and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative.

For costs related to nonpublic schools, the practice of the Cooperative was to separate out the required amount for each member school from the Cooperative budget, and the member schools would work with the nonpublic schools to determine how to spend its proportionate share amount. Each member school would then request reimbursement from the Cooperative for nonpublic school expenditures incurred. This allowed both the Cooperative and member schools to maintain control of all special education funds, property, equipment, and supplies.

KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

In the initial sample of 25 expenditures, there was no noncompliance identified. However, while performing a review of transactions for the Period of Performance compliance requirement, it was noted that nonpublic schools received direct reimbursements from the Cooperative for its proportionate share expenditures. A total of 13 expenditures were made from special education funds to nonpublic schools on behalf of the member schools during the audit period. Of the 13 expenditures, 5, totaling \$2,798, were made on behalf of the School Corporation to a nonpublic school.

The lack of internal controls and noncompliance was isolated to the 22611-047-PN01, 22611-047-ARP, and 22619-047-ARP grant awards.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

34 CFR 300.202(a) states:

"*General.* Amounts provided to the LEA under Part B of the Act—

- (1) Must be expended in accordance with the applicable provisions of this part;
- (2) Must be used only to pay the excess costs of providing special education and related services to children with disabilities, consistent with paragraph (b) of this section; and
- (3) Must be used to supplement State, local, and other Federal funds and not to supplant those funds."

34 CFR 300.208 states:

"(a) *Uses.* Notwithstanding §§ 300.202, 300.203(b), and 300.162(b), funds provided to an LEA under Part B of the Act may be used for the following activities:

- (1) *Services and aids that also benefit nondisabled children.* For the costs of special education and related services, and supplementary aids and services, provided in a regular class or other education-related setting to a child with a disability in accordance with the IEP of the child, even if one or more nondisabled children benefit from these services.
- (2) *Early intervening services.* To develop and implement coordinated, early intervening educational services in accordance with § 300.226.

KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(3) *High cost special education and related services.* To establish and implement cost or risk sharing funds, consortia, or cooperatives for the LEA itself, or for LEAs working in a consortium of which the LEA is a part, to pay for high cost special education and related services.

(b) *Administrative case management.* An LEA may use funds received under Part B of the Act to purchase appropriate technology for recordkeeping, data collection, and related case management activities of teachers and related services personnel providing services described in the IEP of children with disabilities, that is needed for the implementation of those case management activities."

34 CFR 300.800 states:

"The Secretary provides grants under section 619 of the Act to assist States to provide special education and related services in accordance with Part B of the Act—

(a) To children with disabilities aged three through five years; and

(b) At a State's discretion, to two-year-old children with disabilities who will turn three during the school year."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

(a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .

(g) Be adequately documented. . . ."

511 IAC 7-34-9 states in part:

"(a) The public agency must hold title to and exercise continuing administrative control of all:

(1) property;

(2) equipment; and

(3) supplies;

the public agency acquires with Part B funds for the benefit of nonpublic school students with disabilities.

(b) The public agency may place equipment and supplies in a nonpublic school for the period of time needed to provide special education and related services. The public agency must ensure that the equipment and supplies:

KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) are used only for the provision of special education and related services; and
- (2) can be removed from the nonpublic school without remodeling the nonpublic school facility."

Cause

Management was not aware that nonpublic school officials have no authority to obligate or receive federal funds and that School Corporation must maintain control of all special education funds, property, equipment, and supplies; therefore, reimbursements were made to a nonpublic school for proportionate share expenditures.

Effect

The payment of proportionate share expenditures to a nonpublic school resulted in the potential misuse of funds that were meant to pay the excess costs of providing special education to students. The unallowable nature of these expenditures may also result in the School Corporation not meeting its requirements related to Non-Public Proportionate Share for the respective grants.

Questioned Costs

There were questioned costs identified in the amount of \$17,857.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure that no direct reimbursements are made to the nonpublic schools and to ensure compliance with the grant agreement and the Activities Allowed or Unallowed and the Allowable Costs/Cost Principles compliance requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2024-004

Subject: Special Education Cluster (IDEA) - Period of Performance

Federal Agency: Department of Education

Federal Programs: Special Education Grants to States, COVID-19 - Special Education Grants to States, Special Education Preschool Grants, COVID-19 - Special Education Preschool Grants

Assistance Listings Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 22611-047-PN01, 22611-047-ARP, 22619-047-PN01, 22619-047-ARP

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Period of Performance

Audit Findings: Material Weakness, Other Matters

KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition and Context

During fiscal year 2023-2024, the School Corporation was a member of the Cooperative School Services (Cooperative). The Cooperative operated the special education programs and spent the federal money on behalf of its member schools. As the grant agreement was between the Indiana Department of Education and each member school, the School Corporation was responsible for ensuring and providing oversight of the Cooperative.

For Special Education Cluster awards, funds must be obligated during the 27 months, extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second following fiscal year.

When testing transactions which occurred in the liquidation period for the 22611-047-PN01, 22611-047-ARP, 22619-047-PN01, and 22619-047-ARP grant awards, two exceptions were identified in the initial sample of 5 transactions. When expanding the sample, a third exception was noted, and it was concluded that it would not be appropriate to examine the remaining 14 transactions.

For the above listed awards, costs must be obligated by September 30, 2023. For the three identified exceptions, an initial purchase order was made in September, but the ultimate transaction was paid to a separate vendor than the original purchase order, and this obligation was incurred in November 2023.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.1 states in part: ". . . *Period of performance* means the total estimated time interval between the start of an initial Federal award and the planned end date . . ."

34 CFR 76.709(a) states: "If a State or a subgrantee does not obligate all of its grant or subgrantee funds by the end of the fiscal year for which Congress appropriated the funds, it may obligate the remaining funds during a carryover period of one additional fiscal year."

34 CFR 76.707 states in part:

". . . If the obligation is for— . . .

- (a) Acquisition of real or personal property. . . .

The obligation is made—

On the date on which the State or subgrantee makes a binding written commitment to acquire the property. . . ."

KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management had established an initial obligation date that occurred in September of the second fiscal year but modified the final vendor for payment. The new obligation occurred after the period in which the School Corporation was allowed to incur the expense.

Effect

If funds are not obligated by the end of the specified date, the grantor agency is not obligated to reimburse the School Corporation for costs incurred. This may indicate that the funding reimbursed that was incurred outside of the period of performance will need to be repaid to the grantor agency, and the School Corporation will then need to support the costs with nonfederal funding.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish a system of internal controls to ensure that no costs are incurred after the September 30 deadline and to ensure compliance with the grant agreement and the Period of Performance compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.



AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the School Corporation. The documents are presented as intended by the School Corporation.



Kankakee Valley School Corporation

12021 N 550 W
PO Box 278
Wheatfield, Indiana 46392-0278

Telephone: 219-987-4711
Fax: 219-987-4710

Mission statement:

*Our mission is to guide students
to become informed, engaged
citizens, and curious, lifelong
learners.*

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Fiscal year in which the finding initially occurred: 2022

Current Audit Period: 7/1/22-6/30/2024

Finding Subject: Financial Transactions and Reporting

Summary of Finding:

The School Corporation had not established internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the School Corporation's Annual Financial Report (AFR). The Treasurer prepared and submitted the AFR in Gateway without an oversight or review process in place to prevent, or detect and correct, errors on the AFR.

Status of Audit Finding:

This has been fully corrected, and the original corrective action plan has been implemented.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-003 and 2022-002

Fiscal year in which the finding initially occurred: 2020

Current Audit Period: 7/1/22-6/30/2024

Finding Subject: Special Education Cluster (IDEA) - Suspension and Debarment

Summary of Finding:

An effective internal control system was needed to ensure the Cooperative School Services complied with suspension and debarment requirements. The Special Education Director obtained suspension and debarment certifications for contracted vendors over \$25,000 without an oversight or review process.

Status of Audit Finding:

This has been fully corrected, and the original corrective action plan has been implemented.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-003

Fiscal year in which the finding initially occurred: 2022

Current Audit Period: 7/1/22-6/30/2024

Finding Subject: Special Education Cluster (IDEA) - Earmarking

Summary of Finding:

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the earmarking requirements of the Matching, Level of Effort, Earmarking compliance requirement.

Status of Audit Finding:

Not Corrected

Response Comments:

Beginning in 2023, hourly salary and benefit amounts for Special education staff providing services to non-public school students were provided to Cooperative School Services. Time and Effort Logs were reviewed and initialed by the School Principal, Treasurer, and Director of Special Education. The school corporation is working on implementing further controls over earmarking as well as ensuring that compliance with the grant agreement and earmarking requirements are met.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-004

Fiscal year in which the finding initially occurred: 2022

Current Audit Period: 7/1/22-6/30/2024

Finding Subject: Equipment and Real Property Management

Summary of Finding:

Internal controls were needed to ensure compliance and comply with the grant agreement and the Equipment and Real Property Management compliance requirement. Additionally, all required information was not included in the asset listing.

Status of Audit Finding:

This has been fully corrected, and the original corrective action plan has been implemented.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-005

Fiscal year in which the finding initially occurred: 2022

Current Audit Period: 7/1/22-6/30/2024

Finding Subject: COVID-19 - Education Stabilization Fund - Reporting

Summary of Finding:

An effective internal control system was needed at the School Corporation to ensure compliance with the requirements related to the grant agreement and the reporting compliance requirement. Reports were prepared by one employee without an oversight or review process in place to prevent, or detect and correct, errors.

Status of Audit Finding:

This has been fully corrected, and the original corrective action plan has been implemented.



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-006

Fiscal year in which the finding initially occurred: 2022

Current Audit Period: 7/1/22-6/30/2024

Finding Subject: COVID-19 - Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements

Summary of Finding:

An effective internal control system was needed at the School Corporation to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

Status of Audit Finding:

This has been fully corrected, and the original corrective action plan has been implemented.



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CORRECTIVE ACTION PLAN

FINDING 2024-001

Finding Subject: Preparation of the Schedule of Federal Awards

Summary of Finding:

The School Corporation must file reports electronically after each fiscal year. Although the reports were filed properly, the internal controls did not catch errors, leading to misstatements. It is recommended that an effective oversight or review process is put into place to ensure the federal grant information is properly reported in the AFR.

Contact Person Responsible for Corrective Action: Chris Richie Business Manager/Treasurer
Contact Phone Number and Email Address: 219 987 4711, crichie@kv.k12.in.us

Views of Responsible Officials:

We concur with the finding.

Description of Corrective Action Plan:

Before submission, the Schedule of Federal Awards will be reviewed by a corporation employee other than the preparer of the report to ensure the information submitted is accurate. Individuals will initial and date a hard copy of final the report acknowledging the accuracy and submission of the report.

Anticipated Completion Date: March 31, 2025



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CORRECTIVE ACTION PLAN

FINDING 2024-002

Finding Subject: Special Education Cluster (IDEA) Earmarking

Summary of Finding:

As a member of Cooperative School Services, special education funding was administered by the Cooperative. The School Corporation only partially spent required funds for some grants. It is recommended that the School Corporation creates written policies to track non-public expenditures to meet earmarking requirements.

Contact Person Responsible for Corrective Action: Chris Richie Business Manager/Treasurer

Contact Phone Number and Email Address: 219 987 4711, criche@kv.k12.in.us

Views of Responsible Officials: *We concur with the finding.*

Description of Corrective Action Plan:

Kankakee Valley School Corporation will work with Cooperative School Services to ensure that Earmarking requirements are met. Reports tracking expenditures will be reviewed semiannually for compliance.

Anticipated Completion Date: June 1, 2025



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CORRECTIVE ACTION PLAN

FINDING 2024-003

Finding Subject: Special Education Cluster (IDEA) Activities Allowed or Unallowed, Allowable Costs/Cost Principles

Summary of Finding:

During the fiscal year 2023-2024, the School Corporation was part of Cooperative School Services, which managed special education programs and finances for its schools. There were recognized issues where non-public schools received direct reimbursements. It is recommended that the School Corporation implement internal controls to prevent direct reimbursements, ensuring compliance with grant requirements and financial regulations.

Contact Person Responsible for Corrective Action: Chris Richie Business Manager/Treasurer
Contact Phone Number and Email Address: 219 987 4711, crichie@kv.k12.in.us

Views of Responsible Officials: *We concur with the finding.*

Description of Corrective Action Plan:

We will work with Cooperative School Services to ensure allowable cost requirements are met. Reports tracking expenditures will be reviewed semiannually for compliance.

Anticipated Completion Date: June 1, 2025



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CORRECTIVE ACTION PLAN

FINDING 2024-004

Finding Subject: Special Education Cluster (IDEA) Period of Performance

Summary of Finding:

During fiscal year 2023-24, the School Corporation was part of Cooperative School Services, which managed special education programs and federal funds for member schools. Funds for Special Education needed to be obligated by September 30, 2023. Three exceptions occurred with late obligations. It is recommended that the School Corporation create internal controls to prevent late costs and ensure compliance.

Contact Person Responsible for Corrective Action: Chris Richie Business Manager/Treasurer
Contact Phone Number and Email Address: 219 987 4711, crichie@kv.k12.in.us

Views of Responsible Officials: *We concur with the finding.*

Description of Corrective Action Plan:

The school corporation will work with Cooperative School Services to ensure that funds are obligated prior to the grant obligation deadline.

Anticipated Completion Date: June 1, 2025

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.