

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, 2014 to June 30, 2016



FILED
12/21/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer/Chief Financial Officer	Carol L. Deardorff	07-01-14 to 06-30-18
Superintendent of Schools	Sharon K. Sanelli (Vacant) Iran G. Floyd (interim) Dr. Aaron J. Case	07-01-14 to 08-06-14 08-07-14 to 08-11-14 08-12-14 to 06-30-15 07-01-15 to 06-30-18
President of the School Board	John M. Jungels, III Dr. Edward P. Habrowski	07-01-14 to 12-31-16 01-01-17 to 12-31-17



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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Kankakee Valley School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (Indiana Code 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

As discussed in Note 1 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance 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, 2014 to June 30, 2016.

Opinion on Regulatory Basis of Accounting

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, 2014 to June 30, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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 *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 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 taken as a whole.

Other Information

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 Leases and 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 2, 2017, 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 and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

November 2, 2017



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF 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), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated November 2, 2017, 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.

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) to determine the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified


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)

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*.

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.


Paul D. Joyce, CPA
State Examiner

November 2, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 4,844,907	\$ 21,322,605	\$ 20,433,422	\$ 38,574	\$ 5,772,664	\$ 22,340,162	\$ 20,870,802	\$ 40,857	\$ 7,282,881
Debt Service	236,629	920,353	1,199,000	42,051	33	477,562	180,200	(91,650)	205,745
Retirement/Severance Bond Debt Service	98,430	363,019	425,338	-	36,111	315	-	(36,426)	-
Referendum Debt Exempt Capital	699,096	4,225,007	4,434,098	-	490,005	5,617,949	5,548,906	(87,772)	471,276
Capital Projects	8,797,177	4,527,219	6,145,092	(202,350)	6,976,954	4,498,375	4,319,482	(156,195)	6,999,652
School Transportation	469,192	1,437,117	1,454,331	113,604	565,582	1,610,125	1,480,374	(142,349)	552,984
School Bus Replacement	424,399	392,072	525,659	33,200	324,012	430,686	354,628	(7,296)	392,774
Rainy Day	2,862,868	-	24,196	141,500	2,980,172	199,521	43,995	316,520	3,452,218
Post-Retirement/Severance Future Benefits	12,264	-	12,264	-	-	-	-	-	-
Construction	43,007	7,273	225,263	3,100,000	2,925,017	3,930	2,928,947	-	-
School Lunch	466,374	1,329,646	1,318,480	-	477,540	1,362,887	1,351,923	-	488,504
Textbook Rental	421,261	336,612	159,288	18,799	617,384	335,090	214,698	16,766	754,542
Self-Insurance	1,761,245	3,263,263	3,240,481	-	1,784,027	3,487,916	3,093,375	-	2,178,568
Levy Excess	112,500	1,122	-	(112,004)	1,618	-	-	191,678	193,296
Educational License Plates	9,868	188	500	-	9,556	188	-	-	9,744
Alternative Education	-	11,973	11,973	-	-	9,800	9,800	-	-
Safe Haven Schools 2014-15	-	-	-	-	-	12,180	12,180	-	-
Early Intervention Grant	-	-	-	-	-	11,915	-	-	11,915
Technology Local Grant	-	-	-	-	-	5,224	2,220	-	3,004
Jasper Foundation Grant	-	7,500	7,500	-	-	5,157	4,551	-	606
Jasper County REMC Grant	6,082	7,995	14,077	-	-	7,010	7,010	-	-
Monsanto Grant	-	10,000	10,000	-	-	10,000	10,000	-	-
Miswest Tech Institute	-	10,000	-	-	10,000	-	10,000	-	-
Formative Assessment	-	-	-	-	-	42,377	42,377	-	-
High Ability Learner 2013-14	24,579	-	24,579	-	-	-	-	-	-
High Ability Learner 2014-2015	-	41,600	29,861	-	11,739	-	11,739	-	-
High Ability Learner 2015-2016	-	-	-	-	-	41,116	35,794	-	5,322
Medicaid Reimbursement	16,836	41,913	-	(26,913)	31,836	12,474	-	(35,445)	8,865
Secured Schools Safety Grant	(16,241)	24,361	49,361	(8,120)	(49,361)	98,722	43,948	(5,413)	-
NESP 14-15	-	11,236	9,471	-	1,765	-	1,765	-	-

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, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
NESP 15-16	-	-	-	-	-	22,686	20,876	-	1,810
School Technology	27,605	51,287	40,602	-	38,290	59,602	44,740	-	53,152
Partners for Drug-Free Jasper County 2012-13	2,805	-	2,805	-	-	-	-	-	-
Partners for Drug-Free Jasper County 2013-14	2,748	-	2,748	-	-	-	-	-	-
Partners for Drug-Free Jasper County 2014-15	2,745	-	2,745	-	-	-	-	-	-
Partners for Drug-Free Jasper County 2015-16	-	3,000	965	-	2,035	-	2,035	-	-
Partners for Drug-Free Jasper County 2016-17	-	-	-	-	-	2,950	2,316	-	634
KVHS Pre-Engineering Grant	4,390	-	997	-	3,393	-	-	-	3,393
Advanced Placement	-	-	-	-	-	250	250	-	-
Senator David Ford Technology	-	2,000	2,000	-	-	-	-	-	-
Excess PTRC Distributions	-	-	-	-	-	-	2,500	-	(2,500)
Title I Basic Grant 2013-14	(80,439)	154,955	74,516	-	-	-	-	-	-
Title I Basic Grant 2014-15	-	255,583	264,700	-	(9,117)	73,722	64,605	-	-
Title I Basic Grant 2015-16	-	-	-	-	-	265,002	280,742	-	(15,740)
Title I Delinquent Grant 2013-14	(16,913)	55,011	38,098	-	-	-	-	-	-
Title I Delinquent Grant 2014-15	-	12,823	12,823	-	-	46,286	46,286	-	-
Title I Delinquent Grant 2015-16	-	-	-	-	-	-	2,588	-	(2,588)
Medicaid Reimbursement - Federal	197,119	78,338	14,755	-	260,702	21,749	12,529	-	269,922
Title II - Improving Teacher Quality 2012-13	(290)	1,900	1,610	-	-	-	-	-	-
Title II - Improving Teacher Quality 2013-14	(9,443)	78,825	69,382	-	-	734	734	-	-
Title II - Improving Teacher Quality 2014-15	-	21,001	22,653	-	(1,652)	70,499	69,489	-	(642)
Title II - Improving Teacher Quality 2015-16	-	-	-	-	-	21,049	22,731	-	(1,682)
Title III - English Language Acquisition 2013-14	(4,137)	4,137	-	-	-	-	-	-	-
Title III - English Language Acquisition 2014-15	-	19,919	19,919	-	-	755	755	-	-
Title III - English Language Acquisition 2015-16	-	-	-	-	-	-	13,194	-	(13,194)
Payroll Clearing Fund	9,902	5,929,065	5,930,474	-	8,493	5,869,511	5,872,271	-	5,732
Prepaid Meals Fund	13,872	689,384	688,297	-	14,959	721,141	717,730	-	18,370
Totals	\$ 21,440,437	\$ 45,649,302	\$ 46,944,323	\$ 3,138,341	\$ 23,283,757	\$ 47,796,617	\$ 47,755,086	\$ 3,275	\$ 23,328,563

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, the following: 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, community school corporations, and charter schools.

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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 include the following sources:

Local sources. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

KANKAKEE VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: 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 include the following uses:

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

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

Interfund loans. Amounts 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.

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 include the following:

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

KANKAKEE VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Transfers in. Amounts 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. Amounts 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 amounts 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 amounts 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.

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.

KANKAKEE VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize the School Corporation to invest in securities including, but not limited to, the following: 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. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' 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
One North Capitol, 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 for prior service as of July 1986. 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, 2015 and 2016 were \$191,275 and \$168,565 respectively.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of funds that were set up for reimbursement basis grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2015 and 2016.

Note 8. Holding Corporations

The School Corporation has entered into capital leases with the Kankakee Valley Middle School Building Corporation and the Kankakee Valley Wheatfield School Building Corporation (the lessors). The lessors were organized as not-for-profit corporations pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be related-parties of the School Corporation. Lease payments during the years ended June 30, 2015 and 2016, totaled \$6,058,435 and \$5,729,106, respectively.

KANKAKEE VALLEY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Other Postemployment Benefits*

The School Corporation provides access to health insurance to eligible early retirees and their dependents with the retirees paying the entire premium. These benefits pose a potential liability to the School Corporation for this year and in future years in the form of possibly higher premiums for current employees because retirees are included in the insurance pool. Information regarding the benefits can be obtained by contacting the School Corporation.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the School Corporation's Financial Reports 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 other 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, 2015

	General	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 4,844,907	\$ 236,629	\$ 98,430	\$ 699,096	\$ 8,797,177	\$ 469,192	\$ 424,399	\$ 2,862,868	\$ 12,264	\$ 43,007
Receipts:										
Local sources	445,794	920,353	363,019	4,225,007	4,516,498	1,419,968	392,072	-	-	7,273
Intermediate sources	1,124	-	-	-	-	-	-	-	-	-
State sources	20,832,883	-	-	-	-	-	-	-	-	-
Federal sources	4,255	-	-	-	-	-	-	-	-	-
Other receipts	38,549	-	-	-	10,721	17,149	-	-	-	-
Total receipts	21,322,605	920,353	363,019	4,225,007	4,527,219	1,437,117	392,072	-	-	7,273
Disbursements:										
Instruction	14,395,440	-	-	-	-	-	-	-	12,264	-
Support services	5,731,792	-	-	-	2,336,129	1,454,331	525,659	24,196	-	-
Noninstructional services	306,190	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	3,808,963	-	-	-	-	225,263
Debt service	-	1,199,000	425,338	4,434,098	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	20,433,422	1,199,000	425,338	4,434,098	6,145,092	1,454,331	525,659	24,196	12,264	225,263
Excess (deficiency) of receipts over disbursements	889,183	(278,647)	(62,319)	(209,091)	(1,617,873)	(17,214)	(133,587)	(24,196)	(12,264)	(217,990)
Other financing sources (uses):										
Sale of capital assets	3,541	-	-	-	-	1,600	33,200	-	-	3,100,000
Transfers in	35,033	60,850	-	-	-	112,004	-	141,500	-	-
Transfers out	-	(18,799)	-	-	(202,350)	-	-	-	-	-
Total other financing sources (uses)	38,574	42,051	-	-	(202,350)	113,604	33,200	141,500	-	3,100,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	927,757	(236,596)	(62,319)	(209,091)	(1,820,223)	96,390	(100,387)	117,304	(12,264)	2,882,010
Cash and investments - ending	\$ 5,772,664	\$ 33	\$ 36,111	\$ 490,005	\$ 6,976,954	\$ 565,582	\$ 324,012	\$ 2,980,172	\$ -	\$ 2,925,017

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, 2015
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Safe Haven Schools 2014-15	Early Intervention Grant	Technology Local Grant	Jasper Foundation Grant
Cash and investments - beginning	\$ 466,374	\$ 421,261	\$ 1,761,245	\$ 112,500	\$ 9,868	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	640,518	237,410	3,263,263	1,122	-	-	-	-	-	7,500
Intermediate sources	-	-	-	-	188	-	-	-	-	-
State sources	18,628	98,577	-	-	-	11,973	-	-	-	-
Federal sources	668,678	-	-	-	-	-	-	-	-	-
Other receipts	1,822	625	-	-	-	-	-	-	-	-
Total receipts	1,329,646	336,612	3,263,263	1,122	188	11,973	-	-	-	7,500
Disbursements:										
Instruction	-	-	-	-	-	11,973	-	-	-	7,500
Support services	16,980	159,288	30,029	-	-	-	-	-	-	-
Noninstructional services	1,301,500	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	3,210,452	-	500	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,318,480	159,288	3,240,481	-	500	11,973	-	-	-	7,500
Excess (deficiency) of receipts over disbursements	11,166	177,324	22,782	1,122	(312)	-	-	-	-	-
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	18,799	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(112,004)	-	-	-	-	-	-
Total other financing sources (uses)	-	18,799	-	(112,004)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	11,166	196,123	22,782	(110,882)	(312)	-	-	-	-	-
Cash and investments - ending	\$ 477,540	\$ 617,384	\$ 1,784,027	\$ 1,618	\$ 9,556	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2015
 (Continued)

	Jasper County REMC Grant	Monsanto Grant	Midwest Tech Institute	Formative Assessment	High Ability Learner 2013-14	High Ability Learner 2014-2015	High Ability Learner 2015-2016	Medicaid Reimbursement	Secured Schools Safety Grant	NESP 14-15
Cash and investments - beginning	\$ 6,082	\$ -	\$ -	\$ -	\$ 24,579	\$ -	\$ -	\$ 16,836	\$ (16,241)	\$ -
Receipts:										
Local sources	7,995	10,000	10,000	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	41,600	-	41,913	24,361	11,236
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	7,995	10,000	10,000	-	-	41,600	-	41,913	24,361	11,236
Disbursements:										
Instruction	4,950	10,000	-	-	24,579	29,861	-	-	-	9,471
Support services	9,127	-	-	-	-	-	-	-	49,361	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	14,077	10,000	-	-	24,579	29,861	-	-	49,361	9,471
Excess (deficiency) of receipts over disbursements	(6,082)	-	10,000	-	(24,579)	11,739	-	41,913	(25,000)	1,765
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(26,913)	(8,120)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(26,913)	(8,120)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,082)	-	10,000	-	(24,579)	11,739	-	15,000	(33,120)	1,765
Cash and investments - ending	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ 11,739	\$ -	\$ 31,836	\$ (49,361)	\$ 1,765

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, 2015
 (Continued)

	NESP 15-16	School Technology	Partners for Drug-Free Jasper County 2012-13	Partners for Drug-Free Jasper County 2013-14	Partners for Drug-Free Jasper County 2014-15	Partners for Drug-Free Jasper County 2015-16	Partners for Drug-Free Jasper County 2016-17	KVHS Pre-Engineering Grant	Advanced Placement	Senator David Ford Technology
Cash and investments - beginning	\$ -	\$ 27,605	\$ 2,805	\$ 2,748	\$ 2,745	\$ -	\$ -	\$ 4,390	\$ -	\$ -
Receipts:										
Local sources	-	45,356	-	-	-	3,000	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	5,931	-	-	-	-	-	-	-	2,000
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	51,287	-	-	-	3,000	-	-	-	2,000
Disbursements:										
Instruction	-	-	-	-	-	-	-	997	-	-
Support services	-	40,602	2,805	2,748	2,745	965	-	-	-	2,000
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	40,602	2,805	2,748	2,745	965	-	997	-	2,000
Excess (deficiency) of receipts over disbursements	-	10,685	(2,805)	(2,748)	(2,745)	2,035	-	(997)	-	-
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	-	10,685	(2,805)	(2,748)	(2,745)	2,035	-	(997)	-	-
Cash and investments - ending	\$ -	\$ 38,290	\$ -	\$ -	\$ -	\$ 2,035	\$ -	\$ 3,393	\$ -	\$ -

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, 2015
 (Continued)

	Excess PTRC Distributions	Title I Basic Grant 2013-14	Title I Basic Grant 2014-15	Title I Basic Grant 2015-16	Title I Delinquent Grant 2013-14	Title I Delinquent Grant 2014-15	Title I Delinquent Grant 2015-16	Medicaid Reimbursement - Federal	Title II - Improving Teacher Quality 2012-13
Cash and investments - beginning	\$ -	\$ (80,439)	\$ -	\$ -	\$ (16,913)	\$ -	\$ -	\$ 197,119	\$ (290)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	154,955	255,583	-	55,011	12,823	-	78,338	1,900
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	154,955	255,583	-	55,011	12,823	-	78,338	1,900
Disbursements:									
Instruction	-	57,153	244,578	-	35,964	10,984	-	9,444	-
Support services	-	16,851	19,315	-	2,134	1,839	-	5,311	1,610
Noninstructional services	-	512	807	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	74,516	264,700	-	38,098	12,823	-	14,755	1,610
Excess (deficiency) of receipts over disbursements	-	80,439	(9,117)	-	16,913	-	-	63,583	290
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	-	80,439	(9,117)	-	16,913	-	-	63,583	290
Cash and investments - ending	\$ -	\$ -	\$ (9,117)	\$ -	\$ -	\$ -	\$ -	\$ 260,702	\$ -

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, 2015
 (Continued)

	Title II - Improving Teacher Quality 2013-14	Title II - Improving Teacher Quality 2014-15	Title II - Improving Teacher Quality 2015-16	Title III - English Language Acquisition 2013-14	Title III - English Language Acquisition 2014-15	Title III - English Language Acquisition 2015-16	Payroll Clearing Fund	Prepaid Meals Fund	Totals
Cash and investments - beginning	\$ (9,443)	\$ -	\$ -	\$ (4,137)	\$ -	\$ -	\$ 9,902	\$ 13,872	\$ 21,440,437
Receipts:									
Local sources	-	-	-	-	-	-	-	-	16,516,148
Intermediate sources	-	-	-	-	-	-	-	-	1,312
State sources	-	-	-	-	-	-	-	-	21,089,102
Federal sources	78,825	21,001	-	4,137	19,919	-	-	-	1,355,425
Other receipts	-	-	-	-	-	-	5,929,065	689,384	6,687,315
Total receipts	78,825	21,001	-	4,137	19,919	-	5,929,065	689,384	45,649,302
Disbursements:									
Instruction	20,712	22,653	-	-	19,919	-	-	-	14,928,442
Support services	48,670	-	-	-	-	-	-	-	10,484,487
Noninstructional services	-	-	-	-	-	-	-	-	1,609,009
Facilities acquisition and construction	-	-	-	-	-	-	-	-	4,034,226
Debt service	-	-	-	-	-	-	-	-	6,058,436
Nonprogrammed charges	-	-	-	-	-	-	-	-	3,210,952
Interfund loans	-	-	-	-	-	-	5,930,474	688,297	6,618,771
Total disbursements	69,382	22,653	-	-	19,919	-	5,930,474	688,297	46,944,323
Excess (deficiency) of receipts over disbursements	9,443	(1,652)	-	4,137	-	-	(1,409)	1,087	(1,295,021)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	3,138,341
Transfers in	-	-	-	-	-	-	-	-	368,186
Transfers out	-	-	-	-	-	-	-	-	(368,186)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	3,138,341
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	9,443	(1,652)	-	4,137	-	-	(1,409)	1,087	1,843,320
Cash and investments - ending	\$ -	\$ (1,652)	\$ -	\$ -	\$ -	\$ -	\$ 8,493	\$ 14,959	\$ 23,283,757

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, 2016

	General	Debt Service	Retirement/ Severance Bond Debt Service	Referendum Debt Exempt Capital	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Post- Retirement/ Severance Future Benefits	Construction
Cash and investments - beginning	\$ 5,772,664	\$ 33	\$ 36,111	\$ 490,005	\$ 6,976,954	\$ 565,582	\$ 324,012	\$ 2,980,172	\$ -	\$ 2,925,017
Receipts:										
Local sources	508,856	477,562	315	5,617,949	4,477,591	1,600,708	430,686	199,521	-	3,930
Intermediate sources	1,124	-	-	-	-	-	-	-	-	-
State sources	21,793,082	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	37,100	-	-	-	20,784	9,417	-	-	-	-
Total receipts	22,340,162	477,562	315	5,617,949	4,498,375	1,610,125	430,686	199,521	-	3,930
Disbursements:										
Instruction	14,584,262	-	-	-	-	-	-	-	-	-
Support services	5,973,328	-	-	-	1,936,183	1,480,374	354,628	43,995	-	-
Noninstructional services	313,212	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	2,383,299	-	-	-	-	2,928,947
Debt service	-	180,200	-	5,548,906	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	20,870,802	180,200	-	5,548,906	4,319,482	1,480,374	354,628	43,995	-	2,928,947
Excess (deficiency) of receipts over disbursements	1,469,360	297,362	315	69,043	178,893	129,751	76,058	155,526	-	(2,925,017)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	1,342	1,934	-	-	-	-
Transfers in	40,857	-	-	-	60,850	21,069	-	316,520	-	-
Transfers out	-	(91,650)	(36,426)	(87,772)	(218,387)	(165,352)	(7,296)	-	-	-
Total other financing sources (uses)	40,857	(91,650)	(36,426)	(87,772)	(156,195)	(142,349)	(7,296)	316,520	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,510,217	205,712	(36,111)	(18,729)	22,698	(12,598)	68,762	472,046	-	(2,925,017)
Cash and investments - ending	\$ 7,282,881	\$ 205,745	\$ -	\$ 471,276	\$ 6,999,652	\$ 552,984	\$ 392,774	\$ 3,452,218	\$ -	\$ -

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, 2016
 (Continued)

	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Educational License Plates	Alternative Education	Safe Haven Schools 2014-15	Early Intervention Grant	Technology Local Grant	Jasper Foundation Grant
Cash and investments - beginning	\$ 477,540	\$ 617,384	\$ 1,784,027	\$ 1,618	\$ 9,556	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	635,147	231,979	3,487,916	-	-	-	-	-	5,224	5,157
Intermediate sources	-	-	-	-	188	-	-	-	-	-
State sources	18,734	102,486	-	-	-	9,800	12,180	11,915	-	-
Federal sources	707,194	-	-	-	-	-	-	-	-	-
Other receipts	1,812	625	-	-	-	-	-	-	-	-
Total receipts	1,362,887	335,090	3,487,916	-	188	9,800	12,180	11,915	5,224	5,157
Disbursements:										
Instruction	-	-	-	-	-	9,800	-	-	-	4,551
Support services	18,388	214,698	20,788	-	-	-	12,180	-	496	-
Noninstructional services	1,333,535	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,724	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	3,072,587	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	1,351,923	214,698	3,093,375	-	-	9,800	12,180	-	2,220	4,551
Excess (deficiency) of receipts over disbursements	10,964	120,392	394,541	-	188	-	-	11,915	3,004	606
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	16,766	-	212,747	-	-	-	-	-	-
Transfers out	-	-	-	(21,069)	-	-	-	-	-	-
Total other financing sources (uses)	-	16,766	-	191,678	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	10,964	137,158	394,541	191,678	188	-	-	11,915	3,004	606
Cash and investments - ending	\$ 488,504	\$ 754,542	\$ 2,178,568	\$ 193,296	\$ 9,744	\$ -	\$ -	\$ 11,915	\$ 3,004	\$ 606

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, 2016
 (Continued)

	Jasper County REMC Grant	Monsanto Grant	Midwest Tech Institute	Formative Assessment	High Ability Learner 2013-14	High Ability Learner 2014-2015	High Ability Learner 2015-2016	Medicaid Reimbursement	Secured Schools Safety Grant	NESP 14-15
Cash and investments - beginning	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ 11,739	\$ -	\$ 31,836	\$ (49,361)	\$ 1,765
Receipts:										
Local sources	7,010	10,000	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	42,377	-	-	41,116	12,474	98,722	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	7,010	10,000	-	42,377	-	-	41,116	12,474	98,722	-
Disbursements:										
Instruction	1,640	10,000	10,000	-	-	11,537	35,794	-	-	1,765
Support services	5,370	-	-	42,377	-	202	-	-	43,948	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	7,010	10,000	10,000	42,377	-	11,739	35,794	-	43,948	1,765
Excess (deficiency) of receipts over disbursements	-	-	(10,000)	-	-	(11,739)	5,322	12,474	54,774	(1,765)
Other financing sources (uses):										
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	(35,445)	(5,413)	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(35,445)	(5,413)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(10,000)	-	-	(11,739)	5,322	(22,971)	49,361	(1,765)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,322	\$ 8,865	\$ -	\$ -

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, 2016
 (Continued)

	NESP 15-16	School Technology	Partners for Drug-Free Jasper County 2012-13	Partners for Drug-Free Jasper County 2013-14	Partners for Drug-Free Jasper County 2014-15	Partners for Drug-Free Jasper County 2015-16	Partners for Drug-Free Jasper County 2016-17	KVHS Pre-Engineering Grant	Advanced Placement	Senator David Ford Technology
Cash and investments - beginning	\$ -	\$ 38,290	\$ -	\$ -	\$ -	\$ 2,035	\$ -	\$ 3,393	\$ -	\$ -
Receipts:										
Local sources	-	53,038	-	-	-	-	2,950	-	250	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	22,686	6,564	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	22,686	59,602	-	-	-	-	2,950	-	250	-
Disbursements:										
Instruction	15,251	-	-	-	-	-	-	-	-	-
Support services	5,625	44,740	-	-	-	2,035	2,316	-	250	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-	-
Total disbursements	20,876	44,740	-	-	-	2,035	2,316	-	250	-
Excess (deficiency) of receipts over disbursements	1,810	14,862	-	-	-	(2,035)	634	-	-	-
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	1,810	14,862	-	-	-	(2,035)	634	-	-	-
Cash and investments - ending	\$ 1,810	\$ 53,152	\$ -	\$ -	\$ -	\$ -	\$ 634	\$ 3,393	\$ -	\$ -

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, 2016
 (Continued)

	Excess PTRC Distributions	Title I Basic Grant 2013-14	Title I Basic Grant 2014-15	Title I Basic Grant 2015-16	Title I Delinquent Grant 2013-14	Title I Delinquent Grant 2014-15	Title I Delinquent Grant 2015-16	Medicaid Reimbursement - Federal	Title II - Improving Teacher Quality 2012-13
Cash and investments - beginning	\$ -	\$ -	\$ (9,117)	\$ -	\$ -	\$ -	\$ -	\$ 260,702	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	73,722	265,002	-	46,286	-	20,649	-
Other receipts	-	-	-	-	-	-	-	1,100	-
Total receipts	-	-	73,722	265,002	-	46,286	-	21,749	-
Disbursements:									
Instruction	-	-	51,381	253,416	-	45,848	2,588	8,055	-
Support services	2,500	-	12,624	25,831	-	438	-	4,474	-
Noninstructional services	-	-	600	1,495	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	2,500	-	64,605	280,742	-	46,286	2,588	12,529	-
Excess (deficiency) of receipts over disbursements	(2,500)	-	9,117	(15,740)	-	-	(2,588)	9,220	-
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	(2,500)	-	9,117	(15,740)	-	-	(2,588)	9,220	-
Cash and investments - ending	\$ (2,500)	\$ -	\$ -	\$ (15,740)	\$ -	\$ -	\$ (2,588)	\$ 269,922	\$ -

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, 2016
 (Continued)

	Title II - Improving Teacher Quality 2013-14	Title II - Improving Teacher Quality 2014-15	Title II - Improving Teacher Quality 2015-16	Title III - English Language Acquisition 2013-14	Title III - English Language Acquisition 2014-15	Title III - English Language Acquisition 2015-16	Payroll Clearing Fund	Prepaid Meals Fund	Totals
Cash and investments - beginning	\$ -	\$ (1,652)	\$ -	\$ -	\$ -	\$ -	\$ 8,493	\$ 14,959	\$ 23,283,757
Receipts:									
Local sources	-	-	-	-	-	-	-	-	17,755,789
Intermediate sources	-	-	-	-	-	-	-	-	1,312
State sources	-	-	-	-	-	-	-	-	22,172,136
Federal sources	734	70,499	21,049	-	755	-	-	-	1,205,890
Other receipts	-	-	-	-	-	-	5,869,511	721,141	6,661,490
Total receipts	734	70,499	21,049	-	755	-	5,869,511	721,141	47,796,617
Disbursements:									
Instruction	-	20,239	22,619	-	755	12,285	-	-	15,101,786
Support services	734	49,250	112	-	-	909	-	-	10,298,793
Noninstructional services	-	-	-	-	-	-	-	-	1,648,842
Facilities acquisition and construction	-	-	-	-	-	-	-	-	5,313,970
Debt service	-	-	-	-	-	-	-	-	5,729,106
Nonprogrammed charges	-	-	-	-	-	-	-	-	3,072,587
Interfund loans	-	-	-	-	-	-	5,872,271	717,730	6,590,002
Total disbursements	734	69,489	22,731	-	755	13,194	5,872,271	717,730	47,755,086
Excess (deficiency) of receipts over disbursements	-	1,010	(1,682)	-	-	(13,194)	(2,761)	3,411	41,531
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	3,276
Transfers in	-	-	-	-	-	-	-	-	668,809
Transfers out	-	-	-	-	-	-	-	-	(668,810)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	3,275
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,010	(1,682)	-	-	(13,194)	(2,761)	3,411	44,806
Cash and investments - ending	\$ -	\$ (642)	\$ (1,682)	\$ -	\$ -	\$ (13,194)	\$ 5,732	\$ 18,370	\$ 23,328,563

KANKAKEE VALLEY SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2016

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Kankakee Valley Middle School Building Corporation	KV Middle School 2009 Bonds	\$ 4,854,000	07/13/2009	06/30/2029
Kankakee Valley Middle School Building Corporation	KV Middle School 2010 Bonds	1,999,000	10/01/2009	06/30/2020
Kankakee Valley Wheatfield School Building Corporation	KV Wheatfield Elementary 2014	<u>187,500</u>	05/12/2014	12/31/2028
Total of annual lease payments		<u><u>\$ 7,040,500</u></u>		

KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2016

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>
Governmental activities:	
Land	\$ 2,126,059
Infrastructure	1,401,555
Buildings	120,046,665
Improvements other than buildings	17,701,468
Machinery, equipment, and vehicles	<u>10,911,447</u>
Total capital assets	<u>\$ 152,187,194</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for 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, 2014 to June 30, 2016. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

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, 2014 to June 30, 2016.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001, 2016-002, 2016-003, and 2016-005. Our opinion on each major federal program is not modified with respect to these matters.

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.

Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the 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.


Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified 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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2016-001, 2016-002, 2016-003, 2016-004, and 2016-005 to be material weaknesses.

The School Corporation's response to the internal control over compliance 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 AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

November 2, 2017

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.

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KANKAKEE VALLEY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient 06-30-15	Total Federal Awards Expended 06-30-15	Pass-Through To Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16
Department of Agriculture							
Child Nutrition Cluster	Indiana Department of Education	10.553	FY 2015, FY 2016	\$ -	\$ 99,123	\$ -	\$ 98,961
School Breakfast Program							
National School Lunch Program		10.555	FY 2015, FY 2016	-	469,563	-	509,518
National School Lunch Program - Commodities			FY 2015, FY 2016	-	99,992	-	98,715
Total - National School Lunch Program				-	569,555	-	608,233
Total - Child Nutrition Cluster				-	668,678	-	707,194
Total - Department of Agriculture				-	668,678	-	707,194
Department of Education							
Special Education Cluster (IDEA)	Indiana Department of Education						
Special Education_Grants to States							
FY2013 Federal Part B 611 Grant		84.027	FY 2013	-	1,799	-	-
FY2014 Federal Part B 611 Grant			14214-051-PN01	-	243,890	-	4,261
FY2015 Federal Part B 611 Grant			14215-051-PN01	-	570,902	-	212,459
FY2016 Federal Part B 611 Grant			14216-049-PN01	-	-	-	598,616
FY2014 Federal Technical Assistance Grant			FY 2014	-	10,926	-	285
Total - Special Education_Grants to States				-	827,517	-	815,621
Special Education_Preschool Grants							
FY2015 Federal Preschool 619 Grant		84.173	45715-051-PN01	-	8,495	-	7,732
FY2016 Federal Preschool 619 Grant			45716-049-PN01	-	16,868	-	13,956
Total - Special Education_Preschool Grants				-	25,363	-	21,688
Total - Special Education Cluster (IDEA)				-	852,880	-	837,309
Title I Grants to Local Educational Agencies	Indiana Department of Education						
Title I Part A 2013-2014		84.010	14-3785	-	154,955	-	-
Title I Part A 2014-2015			15-3785	-	255,583	-	73,722
Title I Part A 2015-2016			16-3785	-	-	-	265,002
Title I Part D 2014-2015			FY 2015	12,432	12,823	36,572	46,286
Title I Part D 2013-2014			FY 2014	38,030	55,011	-	-
Total - Title I Grants to Local Educational Agencies				50,463	478,372	36,572	385,010
Total - Title I Grants to Local Educational Agencies				50,463	478,372	36,572	385,010
English Language Acquisition State Grants	Indiana Department of Education						
Title III LEP 2014-2016		84.365	01115-035-PN01	-	19,919	-	755
Title III LEP 2013-2015			01114-035-PN01	-	4,137	-	-
Total - English Language Acquisition State Grants				-	24,056	-	755
Improving Teacher Quality State Grants	Indiana Department of Education						
Title II Improving Teacher Quality 2012-2014		84.367	FY 2012	-	1,900	-	-
Title II Improving Teacher Quality 2013-2015			FY 2013	-	78,825	-	734
Title II Improving Teacher Quality 2014-2016			FY 2014	-	21,001	-	70,499
Title II Improving Teacher Quality 2015-2017			FY 2015	-	-	-	21,049
Total - Improving Teacher Quality State Grants				-	101,726	-	92,282
Total - Department of Education				50,463	1,457,034	36,572	1,315,356
Total federal awards expended				\$ 50,463	\$ 2,125,712	\$ 36,572	\$ 2,022,550

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 (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

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 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed 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.

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 weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
84.010	Child Nutrition Cluster	Unmodified
	Title I Grants to Local Educational Agencies	Unmodified
	Special Education Cluster (IDEA)	Unmodified

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 were reportable.

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-001

Subject: Child Nutrition Cluster - Cash Management
 Federal Agency: Department of Agriculture
 Federal Programs: School Breakfast Program, National School Lunch Program
 CFDA Numbers: 10.553, 10.555
 Federal Award Numbers and Years (or Other Identifying Numbers): FY 2015, FY 2016
 Pass-Through Entity: Indiana Department of Education
 Compliance Requirement: Cash Management
 Audit Findings: Material Weakness, Other Matters

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

Repeat Finding

This is a repeat of Finding 2014-002 from the immediate prior audit.

Condition

The School Corporation, including its Food Service Department, had not established an effective system of internal controls related to the grant agreement and the Cash Management compliance requirement. The School Corporation failed to comply with the Cash Management requirement that they limit its net cash resources in the School Lunch fund to the three months average expenditures of the food service program.

Context

The lack of controls and the noncompliance were systemic issues. The net cash resources in the School Lunch fund exceeded the 3 months average expenditures for all 24 months of the audit period. The cash balance averaged 11 percent in excess of the 3 months average expenditures during the audit period.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

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). . . ."

7 CFR 210.14(b) states:

"*Net cash resources.* The school food authority shall limit its net cash resources to an amount that does not exceed 3 months average expenditures for its nonprofit school food service or such other amount as may be approved by the State agency in accordance with § 210.19(a)."

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

7 CFR 220.7(e) states in part:

"Each school food authority approved to participate in the program shall . . . with respect to participating schools under its jurisdiction: . . .

(iv) Limit its net cash resource to an amount that does not exceed three months average expenditure for its nonprofit school food service or such other amount as may be approved by the State agency; . . ."

Cause

The School Corporation had not developed a system of internal controls that would have ensured compliance with the Cash Management compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Cash Management compliance requirement.

Views of Responsible Officials

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

FINDING 2016-002

Subject: Title I Grants to Local Educational Agencies - Allowable Costs/Cost Principles

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 14-3785, 15-3785, 16-3785,
FY 2014, FY 2015

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

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

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement. Required time and effort logs for employees who worked on multiple activities or cost objectives during the audit period were not presented for audit.

Context

The lack of controls and the noncompliance were systemic issues which occurred throughout the audit period.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

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). . . ."

OMB Circular A-87, Attachment B, section 8h states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,

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

- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (vii) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

Cause

The School Corporation's management had not developed an effective internal control system that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

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

FINDING 2016-003

Subject: Title I Grants to Local Educational Agencies - Subrecipient Monitoring
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 14-3785, 15-3785, 16-3785,
FY 2014, FY 2015
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Subrecipient Monitoring
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Subrecipient Monitoring compliance requirement. The School Corporation did not provide its subrecipient with all of the information required by the grantor.

In the 2014-2015 fiscal year, evidence was not presented that the subrecipient was provided with the compliance requirements or approved allowable activities for the grant.

In the 2015-2016 fiscal year, evidence was not presented that the subrecipient was provided with the pass-through entity's unique entity identifier, its Federal Award Identification Number, or the terms and conditions of the federal award. No evidence was presented that all requirements imposed by the pass-through entity were provided to the subrecipient so that the federal award would be used in accordance with all applicable Federal statutes and regulations. The subrecipient grant agreement also did not contain a requirement that the subrecipient permit the pass-through entity and its auditors to have access to its records and financial statements as necessary for the pass-through entity to meet the requirements of the federal award.

Context

The lack of controls and noncompliance were systemic issues which occurred throughout the audit period.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

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

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). . . ."

31 U.S.C. § 7502 (f)(2) states:

"(2) Each pass-through entity shall—

- (A) provide such subrecipient the program names (and any identifying numbers) from which such assistance is derived, and the Federal requirements which govern the use of such awards and the requirements of this chapter;
- (B) monitor the subrecipient's use of Federal awards through site visits, limited scope audits, or other means; . . .
- (C) require each of its subrecipients of Federal awards to permit, as a condition of receiving Federal awards, the independent auditor of the pass-through entity to have such access to the subrecipient's records and financial statements as may be necessary for the pass-through entity to comply with this chapter."

2 CFR 200.331 states in part:

"All pass-through entities must:

- (a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

- (1) Federal Award Identification.

- (i) Subrecipient name (which must match the name associated with its unique entity identifier);
- (ii) Subrecipient's unique entity identifier;
- (iii) Federal Award Identification Number (FAIN); . . .

- (2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

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

- (3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports; . . .
- (5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and
- (6) Appropriate terms and conditions concerning closeout of the subaward. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Subrecipient Monitoring compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Subrecipient Monitoring compliance requirement.

Views of Responsible Officials

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

FINDING 2016-004

Subject: Title I Grants to Local Educational Agencies - Special Tests and Provisions -
Annual Report Card, High School Graduation Rate

Federal Agency: Department of Education

Federal Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Award Numbers and Years (or Other Identifying Numbers): 14-3785, 15-3785, 16-3785,
FY 2014, FY 2015

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Special Tests and Provisions - Annual Report Card, High School
Graduation Rate

Audit Finding: Material Weakness

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

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Determinations made to remove a student from the graduation cohort were not reviewed for either the allowability of the removal of the student or to minimize the risk that improper supporting documentation was maintained for withdrawn students.

Context

The lack of controls was a systemic issue which occurred throughout the audit period.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

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). . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, to ensure compliance with the Special Tests and Provisions - Annual Report Card, High School Graduation Rate compliance requirement.

Views of Responsible Officials

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

FINDING 2016-005

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

Federal Agency: Department of Education

Federal Programs: Special Education_Grants to States, Special Education_Preschool Grants

CFDA Numbers: 84.027; 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14214-051-PN01, 14215-051-PN01,
14216-049-PN01, 45715-051-PN01,
45716-049-PN01, FY 2013, FY 2014

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreement and the Suspension and Debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not perform any procedures to ensure compliance with requirements regarding verification that vendors were not suspended or debarred from participation in federal programs before entering into a contract.

Context

This was a systemic issue which occurred throughout the audit period. No verification procedures were performed for any of the contracted vendors paid from the grants.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

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

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 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Suspension and Debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Suspension and Debarment requirements of the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

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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

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: 2013-2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Carol Deardorff
Contact Phone Number: 219.987.4711

Status of Audit Finding: Implemented the corrective action plan August 2014.

Carol L. Deardorff
(Signature)

CFO/Treasurer
(Title)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-002

Fiscal year in which the finding initially occurred: 2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Michelle Flick, Food Service Director
Contact Phone Number: 219.987.4711 Ext. 1117

Status of Audit Finding:

- A. The Director of Food Services is monitoring the daily and monthly cash balances of the Lunch Program and is working towards the compliance of three month's average expenditures. This finding remains a Work in Progress.

Michelle Flick

(Signature)

Director of Food Services

(Title)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-003

Fiscal year in which the finding initially occurred: 2013

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE

Contact Person Responsible for Corrective Action: Michelle Flick, Food Service Director

Contact Phone Number: 219.987.4711 Ext. 1117

Status of Audit Finding:

- A. The Director of Food Services is responsible for submitting the Federal Grant Reimbursement Report to the State. The reimbursement reports are collectively reviewed by both Director and Assistant Director of Food Services before submission.

(Signature)

(Title)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-004

Fiscal year in which the finding initially occurred: 2012-2013
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Carol L. Deardorff
Contact Phone Number: 219.987.4711

Status of Audit Finding: Not Applicable. Grant no longer exists.

Carol L. Deardorff
(Signature)

CFO/Treasurer
(Title)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-005

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: DOE

Contact Person Responsible for Corrective Action: Dr. Aaron J. Case, Supt. and Carol L. Deardorff, CFO

Contact Phone Number: 219.987.4711

Status of Audit Finding:

The school corporation serving as LEA or Fiscal Agent for Cooperative School Services provides a monthly statement of revenue and expenditures for Federal grant funds to each Superintendent for the school corporations participating in the special education cooperative.

The Superintendent reviews the report, and that review is verified by signing and dating the “Monthly Financial Report Documentation” form.

Copies of the signed forms are retained by Kankakee Valley School Corp. and Cooperative School Services.

At each meeting of the Executive Board for Cooperative School Services, a financial report (revenue and expenditures) is provided and approved with the action recorded in the meeting minutes.

Monthly requests for reimbursement of Federal Funds are signed by both the LEA or Fiscal Agent Treasurer and Superintendent.

Carol L. Deardorff

(Signature)

CFO / Treasurer

(Title)



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Date: November 2, 2017

Kankakee Valley School Corporation Lunch Program
Michelle Flick, Director of Food Services
mflick@kv.k12.in.us
219-987-4711 ext. 1117

RE: CORRECTIVE ACTION PLAN FROM FINDING 2016-001

Upon the finding of 2016-001 Child Nutrition Cluster-Cash Management, Kankakee Valley School Corporation Lunch Program immediately submitted to the state, Indiana Department of Education (IDOE), a Proposed Use of Excess Funds of 2017-18.

Currently, Kankakee Valley School Lunch Program offers a severance pay. To qualify for the pay, the minimum years of service is 15 years as well as the minimum age requirement is 55 years. At this point, 24 employees qualify under these terms equally \$53,240.00. Without having this budgeted in, we have an unfunded liability.

The Lunch Program has equipment that has been approved by our Board of Trustees and IDOE in the amount of \$23,449.45 for this school year. Also, due to repeat repairs and breakdowns on certain equipment within our 5 kitchens, we have \$126,000.00 appropriated for such new expenditures.

In addition, the Lunch Program is also working with our Superintendent and Director of Building and Grounds to update our High School Cafeteria to present to the Board of Trustees. The lunch programs part in the updates will be to provide new furnishings for the updated area.

The Lunch Program has also been in compliance with the state mandatory Paid Equity Tool administered by IDOE. From 2014, we have been required to add 10 cents to our lunch prices each school year. Within the past few years, the programs lunch count has been on the rise

due to increased marketing, networking, better products, and online communications. This is allowing us to add to our funds.

Because we have been required to increase our prices and we have increased our lunch count, our revenues have grown faster than our expenses creating an excess reserve. To help monitor for the future, we will hold quarterly meetings with the Superintendent and CFO to evaluate facilities and equipment to assist in regulating excess balances.

Michelle Fleck,
Director of Food Services
11.2.17



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CORRECTIVE ACTION PLAN

FINDING 2016-002

Contact Person Responsible for Corrective Action: Carol L. Deardorff, CFO/Treasurer
Contact Phone Number: 219.987.4711

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The Title I Administrator is the only employee who is paid from both Title I and another fund, and therefore requires a daily time and effort log. All other Title I employees, whether full-time or part-time, can be documented on semi-annual time and effort logs. The building principal will verify the logs with their signature. The current Title I Administrator has been made aware of these requirements and will ensure that the proper time and effort logs are completed and retained for all Title I staff, including himself.

Anticipated Completion Date: Completed

Carol L. Deardorff
(Signature)

CFO/ Treasurer
(Title)

11.02.2017
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2016-003

Contact Person Responsible for Corrective Action: Carol L. Deardorff, CFO/Treasurer
Contact Phone Number: 219.987.4711

Views of Responsible Official: We neither agree nor disagree with the finding.

Description of Corrective Action Plan: We were unaware that the Title I Delinquent grant was on a subrecipient basis. The Title I Administrator was in regular contact with the Education Director of the institution to ensure that the grant funds were spent appropriately. The institution that received this grant, White's Residential & Family Services, closed in August 2017. We will no longer be receiving this grant.

Anticipated Completion Date: Completed

Carol L. Deardorff
(Signature)

CFO / Treasurer
(Title)

11.02.2017
(Date)



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Assistant Superintendent – Mrs. Allisa Schnick

Chief Financial Officer – Ms. Carol Deardorff

Director of Buildings and Grounds – Mr. Tom Sherwood

Superintendent Emeritus – Mr. Iran G. Floyd

CORRECTIVE ACTION PLAN

FINDING 2016-004

Contact Person Responsible for Corrective Action: Carol L. Deardorff, CFO/Treasurer

Contact Phone Number: 219.987.4711

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Before a student is removed from the graduation cohort, that determination will be reviewed by the high school guidance department and the high school principal or his designee. The determination will be documented on a form.

Anticipated Completion Date: Completed

Carol L. Deardorff
(Signature)

CFO / Treasurer
(Title)

11.02.2017
(Date)



Kankakee Valley School Corporation

12021 N 550 W
PO Box 278
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Board of School Trustees

Dr. Edward P. Habrowski, President
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Superintendent – Dr. Aaron J. Case
Assistant Superintendent – Mrs. Allisa Schnick
Chief Financial Officer – Ms. Carol Deardorff
Director of Buildings and Grounds – Mr. Tom Sherwood
Superintendent Emeritus – Mr. Iran G. Floyd

CORRECTIVE ACTION PLAN

FINDING 2016-005

Contact Person Responsible for Corrective Action: Carol L. Deardorff, CFO/Treasurer
Contact Phone Number: 219.987.4711

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Our special education cooperative, Cooperative School Services, will be responsible for verifying that vendors that they contract with for services are not suspended or debarred. As they recently stated in their Corrective Action Plan:

In order to be in compliance with OMB Circular A-133, Subpart C, section .300 regarding Suspension and Debarment requirements the School Corporation/Special Education Cooperative will:

- A) Check the SAM exclusions by checking the website (sam.gov) to verify status or
- B) Collect a certification from that person or contractor (see attachment)

prior to entering into any contractual agreement. Documentation of the above actions will be maintained at both the RCSC and CSS offices.

We have already received certification forms regarding suspension and debarment from Cooperative School Services for the service providers they have engaged for the 2017-2018 school year. They will make this a standard procedure in the future.

Anticipated Completion Date: Completed

Carol L. Deardorff
(Signature)

CFO / Treasurer
(Title)

11.02.2017
(Date)

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/>.