

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

SUPPLEMENTAL COMPLIANCE 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



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of the Kankakee Valley School Corporation (School Corporation), for the period from July 1, 2014 to June 30, 2016. It has been provided as a separate report so that the reader may easily identify any Federal Findings that pertain to the School Corporation. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

The Federal Findings, identified in the above referenced audit report, are included in this report.

Any Corrective Action Plan for the Federal Findings, incorporated within this report, was not verified for accuracy.

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

November 2, 2017

KANKAKEE VALLEY SCHOOL CORPORATION  
FEDERAL FINDINGS

***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

*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). . . ."

KANKAKEE VALLEY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

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)."

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  
FEDERAL FINDINGS  
(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:

KANKAKEE VALLEY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

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

KANKAKEE VALLEY SCHOOL CORPORATION  
FEDERAL FINDINGS  
(Continued)

*Views of Responsible Officials*

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

**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  
FEDERAL FINDINGS  
(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  
FEDERAL FINDINGS  
(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  
FEDERAL FINDINGS  
(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  
FEDERAL FINDINGS  
(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  
FEDERAL FINDINGS  
(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.



# Kankakee Valley School Corporation

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Fax: 219-987-4710

## Board of School Trustees

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Assistant to the Superintendent – Mrs. Allisa Schnick  
Chief Financial Officer - Ms. Carol Deardorff  
Director of Buildings and Grounds - Mr. Tom Sherwood  
Superintendent Emeritus – Mr. Iran G. Floyd

Date: November 2, 2017

Kankakee Valley School Corporation Lunch Program  
Michelle Flick, Director of Food Services  
[mflick@kv.k12.in.us](mailto: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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Superintendent Emeritus – Mr. Iran G. Floyd

### 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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## 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)



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## 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)

KANKAKEE VALLEY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on November 2, 2017, with Dr. Edward P. Habrowski, President of the School Board; Dr. Aaron J. Case, Superintendent of Schools; Carol L. Deardorff, Treasurer/Chief Financial Officer; and Michelle Flick, Food Service Director.