

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

AUDIT REPORT

OF

JOHN GLENN SCHOOL CORPORATION

ST. JOSEPH COUNTY, INDIANA

July 1, 2005 to June 30, 2007



FILED

03/31/2008

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Darlene M. Flora	07-01-05 to 06-30-08
Superintendent of Schools	Richard M. Reese	07-01-05 to 06-30-09
President of the School Board	William S. Groves Hal Patterson Michael D. Daube Thomas McCormick	01-01-05 to 12-31-05 01-01-06 to 12-31-06 01-01-07 to 12-31-07 01-01-08 to 12-31-08



STATE OF INDIANA
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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

TO: THE OFFICIALS OF THE JOHN GLENN SCHOOL
CORPORATION, ST. JOSEPH COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the John Glenn School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2006 and 2007, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 4, 2008, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 4, 2008



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

TO: THE OFFICIALS OF THE JOHN GLENN SCHOOL
CORPORATION, ST. JOSEPH COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the John Glenn School Corporation (School Corporation), as of and for the years ended June 30, 2006 and 2007, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 4, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

STATE BOARD OF ACCOUNTS

February 4, 2008

JOHN GLENN SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
		Charges for Services	Operating Grants and Contributions	<u>Totals</u>
Governmental activities:				
Instruction	\$ 5,358,493	\$ -	\$ 61,011	\$ (5,297,482)
Support services	10,598,920	511,729	267,801	(9,819,390)
Community services	9,715	-	-	(9,715)
Nonprogrammed charges	973,574	-	-	(973,574)
Debt service	<u>2,973,483</u>	<u>-</u>	<u>-</u>	<u>(2,973,483)</u>
Total governmental activities	<u>\$ 19,914,185</u>	<u>\$ 511,729</u>	<u>\$ 328,812</u>	<u>(19,073,644)</u>
General receipts:				
Property taxes				6,086,157
Other local sources				1,013,114
State aid				7,218,289
Bonds and loans				2,458,717
Grants and contributions not restricted to specific programs				350,407
Sale of property, adjustments, and refunds				235,490
Investment earnings				<u>168,792</u>
Total general receipts				<u>17,530,966</u>
Change in net assets				(1,542,678)
Net assets - beginning				<u>4,918,968</u>
Net assets - ending				<u>\$ 3,376,290</u>
<u>Assets</u>				
Cash and investments				\$ 2,696,020
Restricted assets:				
Cash and investments				<u>680,270</u>
Total assets				<u>\$ 3,376,290</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 614,773
Other purposes				65,497
Unrestricted				<u>2,696,020</u>
Total net assets				<u>\$ 3,376,290</u>

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

JOHN GLENN SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2007

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	Net (Disbursement) Receipts and Changes in Net Assets
Governmental activities:				
Instruction	\$ 5,502,438	\$ -	\$ 59,482	\$ (5,442,956)
Support services	7,395,625	502,631	275,656	(6,617,338)
Community services	11,995	-	-	(11,995)
Nonprogrammed charges	998,961	-	-	(998,961)
Debt service	3,561,503	-	-	(3,561,503)
Total governmental activities	\$ 17,470,522	\$ 502,631	\$ 335,138	(16,632,753)
General receipts:				
Property taxes				4,709,910
Other local sources				729,339
State aid				7,349,950
Bonds and loans				2,101,689
Grants and contributions not restricted to specific programs				440,304
Sale of property, adjustments, and refunds				937,712
Investment earnings				136,160
Total general receipts				16,405,064
Change in net assets				(227,689)
Net assets - beginning				3,376,290
Net assets - ending				\$ 3,148,601
 <u>Assets</u>				
Cash and investments				\$ 2,552,668
Restricted assets:				
Cash and investments				595,933
Total assets				\$ 3,148,601
 <u>Net Assets</u>				
Restricted for:				
Debt service				\$ 517,831
Other purposes				78,102
Unrestricted				2,552,668
Total net assets				\$ 3,148,601

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

JOHN GLENN SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:									
Local sources	\$ 3,214,850	\$ 529,755	\$ -	\$ 2,051,098	\$ 1,051,184	\$ 159,245	\$ 21,703	\$ 751,180	\$ 7,779,015
Intermediate sources	102	-	-	-	-	-	-	675	777
State sources	7,263,138	-	-	-	-	-	-	91,275	7,354,413
Federal sources	-	-	-	-	-	-	-	543,095	543,095
Bonds and loans	1,743,703	242,758	-	472,256	-	-	-	-	2,458,717
Sale of property, adjustments and refunds	125,992	34,674	-	7,000	6,926	-	1,894,307	15,591	2,084,490
Total receipts	12,347,785	807,187	-	2,530,354	1,058,110	159,245	1,916,010	1,401,816	20,220,507
Disbursements:									
Current:									
Instruction	5,028,222	-	-	-	-	-	-	330,271	5,358,493
Support services	3,882,815	550,307	152,490	-	833,998	255,187	4,020,439	990,676	10,685,912
Community services	9,715	-	-	-	-	-	-	-	9,715
Nonprogrammed charges	839,275	-	-	-	-	-	-	41,952	881,227
Debt services	803,752	78,254	-	1,984,295	-	-	-	107,182	2,973,483
Interfund loans	1,800,000	-	-	7,000	-	-	-	42,000	1,849,000
Total disbursements	12,363,779	628,561	152,490	1,991,295	833,998	255,187	4,020,439	1,512,081	21,757,830
Excess (deficiency) of receipts over disbursements	(15,994)	178,626	(152,490)	539,059	224,112	(95,942)	(2,104,429)	(110,265)	(1,537,323)
Other financing sources (uses):									
Transfers in	-	50,978	325,000	-	-	-	-	24,591	400,569
Transfers out	(50,000)	-	-	(137,569)	(200,000)	-	-	(13,000)	(400,569)
Total other financing sources (uses)	(50,000)	50,978	325,000	(137,569)	(200,000)	-	-	11,591	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(65,994)	229,604	172,510	401,490	24,112	(95,942)	(2,104,429)	(98,674)	(1,537,323)
Cash and investments - beginning	653,397	68,705	152,490	185,335	422,016	141,449	2,686,302	538,422	4,848,116
Cash and investments - ending	\$ 587,403	\$ 298,309	\$ 325,000	\$ 586,825	\$ 446,128	\$ 45,507	\$ 581,873	\$ 439,748	3,310,793
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:									
Internal service fund is used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.									
									65,497
Net assets of governmental activities									<u>\$ 3,376,290</u>
Cash and Investment Assets - Ending									
Cash and investments	\$ 587,403	\$ 298,309	\$ 325,000	\$ -	\$ 446,128	\$ 45,507	\$ 581,873	\$ 411,800	\$ 2,696,020
Restricted assets:									
Cash and investments	-	-	-	586,825	-	-	-	27,948	614,773
Total cash and investment assets - ending	\$ 587,403	\$ 298,309	\$ 325,000	\$ 586,825	\$ 446,128	\$ 45,507	\$ 581,873	\$ 439,748	\$ 3,310,793
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ 586,825	\$ -	\$ -	\$ -	\$ 27,948	\$ 614,773
Unrestricted	587,403	298,309	325,000	-	446,128	45,507	581,873	411,800	2,696,020
Total cash and investment fund balance - ending	\$ 587,403	\$ 298,309	\$ 325,000	\$ 586,825	\$ 446,128	\$ 45,507	\$ 581,873	\$ 439,748	\$ 3,310,793

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

JOHN GLENN SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	General	Transportation Operating	Rainy Day	Debt Service	Capital Projects	School Bus Replacement	Construction	Other	Totals
Receipts:									
Local sources	\$ 2,429,297	\$ 409,318	\$ -	\$ 1,699,303	\$ 745,119	\$ 104,545	\$ -	\$ 686,885	\$ 6,074,467
Intermediate sources	348	-	-	-	-	-	-	3,225	3,573
State sources	7,392,600	-	-	-	-	-	-	176,432	7,569,032
Federal sources	2,500	-	-	-	-	-	-	553,860	556,360
Bonds and loans	1,293,932	179,093	-	628,664	-	-	-	-	2,101,689
Sale of property, adjustments and refunds	25,317	11,680	-	31,000	400,000	-	817,794	113,921	1,399,712
Total receipts	11,143,994	600,091	-	2,358,967	1,145,119	104,545	817,794	1,534,323	17,704,833
Disbursements:									
Current:									
Instruction	5,164,283	-	-	-	-	-	-	338,155	5,502,438
Support services	4,157,091	548,887	-	-	995,045	1,500	780,807	1,000,014	7,483,344
Community services	11,995	-	-	-	-	-	-	-	11,995
Nonprogrammed charges	888,355	-	-	-	-	-	-	35,492	923,847
Debt services	939,951	164,504	-	2,341,309	-	-	-	115,739	3,561,503
Interfund loans	-	-	-	31,000	-	-	400,000	31,000	462,000
Total disbursements	11,161,675	713,391	-	2,372,309	995,045	1,500	1,180,807	1,520,400	17,945,127
Excess (deficiency) of receipts over disbursements	(17,681)	(113,300)	-	(13,342)	150,074	103,045	(363,013)	13,923	(240,294)
Other financing sources (uses):									
Transfers in	1,369	-	300,000	-	-	-	-	33,738	335,107
Transfers out	-	-	-	(64,738)	(250,000)	-	-	(20,369)	(335,107)
Total other financing sources (uses)	1,369	-	300,000	(64,738)	(250,000)	-	-	13,369	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,312)	(113,300)	300,000	(78,080)	(99,926)	103,045	(363,013)	27,292	(240,294)
Cash and investments - beginning	587,403	298,309	325,000	586,825	446,128	45,507	581,873	439,748	3,310,793
Cash and investments - ending	\$ 571,091	\$ 185,009	\$ 625,000	\$ 508,745	\$ 346,202	\$ 148,552	\$ 218,860	\$ 467,040	3,070,499
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:									
Internal service fund is used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.									
									78,102
Net assets of governmental activities									<u>\$ 3,148,601</u>
Cash and Investment Assets - Ending									
Cash and investments	\$ 571,091	\$ 185,009	\$ 625,000	\$ -	\$ 346,202	\$ 148,552	\$ 218,860	\$ 457,954	\$ 2,552,668
Restricted assets:									
Cash and investments	-	-	-	508,745	-	-	-	9,086	517,831
Total cash and investment assets - ending	\$ 571,091	\$ 185,009	\$ 625,000	\$ 508,745	\$ 346,202	\$ 148,552	\$ 218,860	\$ 467,040	\$ 3,070,499
Cash and Investment Fund Balance - Ending									
Restricted for:									
Debt service	\$ -	\$ -	\$ -	\$ 508,745	\$ -	\$ -	\$ -	\$ 9,086	\$ 517,831
Unrestricted	571,091	185,009	625,000	-	346,202	148,552	218,860	457,954	2,552,668
Total cash and investment fund balance - ending	\$ 571,091	\$ 185,009	\$ 625,000	\$ 508,745	\$ 346,202	\$ 148,552	\$ 218,860	\$ 467,040	\$ 3,070,499

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

JOHN GLENN SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2006

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 86,992
Operating disbursements:	
Insurance claims and expense	92,347
Change in net assets	(5,355)
Cash and investment fund balance - beginning	70,852
Cash and investment fund balance - ending	\$ 65,497
 <u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 65,497
 <u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 65,497

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

JOHN GLENN SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENTS BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2007

	Internal Service Fund
Operating receipts:	
Charges for services	\$ 87,719
Operating disbursements:	
Insurance claims and expense	75,114
Change in net assets	12,605
Cash and investment fund balance - beginning	65,497
Cash and investment fund balance - ending	\$ 78,102
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	\$ 78,102
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	\$ 78,102

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

JOHN GLENN SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2006

	Pension Trust Fund	Private-Purpose Trust Fund	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 2,609	
Investment earnings:			
Interest	25,433	-	
Total additions	25,433	2,609	
Deductions:			
Benefits	80,715	-	
Excess (deficiency) of total additions over total deductions	(55,282)	2,609	
Cash and investment fund balance - beginning	1,013,175	101,383	
Cash and investment fund balance - ending	\$ 957,893	\$ 103,992	
Net assets:			
Cash and investments	\$ 957,893	\$ 103,992	\$ 84,255
Total net assets - cash and investment basis held in trust	\$ 957,893	\$ 103,992	\$ 84,255

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

JOHN GLENN SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2007

	Pension Trust Fund	Private-Purpose Trust Fund	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 5,730	
Investment earnings:			
Interest	43,184	-	
Total additions	43,184	5,730	
Deductions:			
Benefits	28,200	-	
Excess of total additions over total deductions	14,984	5,730	
Cash and investment fund balance - beginning	957,893	103,992	
Cash and investment fund balance - ending	\$ 972,877	\$ 109,722	
Net assets:			
Cash and investments	\$ 972,877	\$ 109,722	\$ 87,712
Total net assets - cash and investment basis held in trust	\$ 972,877	\$ 109,722	\$ 87,712

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

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, 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 School Corporation's financial reporting entity is composed of the following:

Primary Government: John Glenn School Corporation

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with nine school corporations in a joint venture to operate Joint Educational Services in Special Education (JESSE) which was created to provide instruction to special needs children. The School Corporation is obligated by contract to remit semiannually, its share of expenses. Complete financial statements for JESSE can be obtained from their administrative offices at P.O. Box 418, Plymouth, Indiana, 46563.

The School Corporation is a participant with nine school corporations in a joint venture to operate North Central Area Vocational Co-op (Co-op) which was created to provide vocational instruction and equipment to its members. The School Corporation is obligated by contract to remit a percentage of the Co-op's budget, based on vocational student counts, annually to supplement the Co-op. Complete financial statements for the Co-op can be obtained from their administrative office at P.O. Box 231, Culver, Indiana, 46511-0231.

The School Corporation is a participant with several school corporations in a joint venture to operate Northern Indiana Education Service Center (NIESC) which was created to allow participating schools to cooperate and share certain programs and services with they collectively may implement. The School Corporation is obligated by contract to remit a per student rate determined annually to supplement the NIESC's budget. Complete financial statements for NIESC can be obtained from their administrative offices at 56535 Magnetic Drive, Mishawaka, Indiana, 46545.

The School Corporation is a participant with 11 other school corporations of Elkhart and St. Joseph Counties in a joint venture to operate a Head Start Consortium (Consortium) which was created to develop, operate, participate and supervise a Head Start Program to serve the pre-school student populations of the participating corporations. The Consortium's continued existence depends on continued funding through a federal grant program. Participating school corporations are required to provide 'in-kind' services (transportation and classroom, gymnasium and playground space) to meet the grant requirements. No fees are assessed the school corporation

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

for the operation of this program. The School Corporation may be obligated for the debts of the Consortium should they not be covered by the grant. Complete financial statements for the Head Start Consortium can be obtained from South Bend Community School Corporation at 215 South St. Joseph Street, South Bend, Indiana, 46601.

The School Corporation is a participant with 20 school corporations in a joint venture to operate North Central Energy Cooperative (NEC), which was created to procure natural gas in an economical and efficient manner. The School Corporation is obligated by contract to remit its share of the expenses. Complete financial statements for NEC can be obtained from their administrative offices at 59040 Minuteman Way, Elkhart, Indiana, 46517.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Cash Activities - Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The rainy day fund is used to account for funds in accordance with Indiana Code 36-1-8-5.1 and a locally adopted resolution.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The construction fund is used to account for disbursements for capital outlay from receipts derived from the sale of general obligation bonds or other outside sources.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for dental benefits provided to School Corporation employees.

The pension trust fund accounts for bonds and payments anticipated to be made to employees on or after the termination of employment or to pay postretirement or severance benefits held by the School Corporation in a trustee capacity.

Private-purpose trust funds report trust arrangements under which principal and income benefit students who are awarded scholarships.

Agency funds account for assets held by the School Corporation as an agent for the federal and state governments as well as insurance, annuity, and uniform vendors.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected. The property taxes for the 2007 calendar year have been delayed due to reassessments. As of June 30, 2007, the School Corporation had received only \$199,718 of its \$1,630,562 in property taxes for 2007. Final distributions of 2007 taxes were made prior to December 31, 2007.

3. Compensated Absences

a. Sick Leave

Certified employees earn sick leave at the rate of 8 days per year or 10 days in the first year of employment. Noncertified employees earn sick leave at the rate of 3 to 8 days per year based on job category. Unused sick leave may be accumulated to a maximum of 120 days for noncertified employees and the number of teacher days in a school year for certified employees. Accumulated sick leave is paid to qualified employees through contributions to the 401K pension plan upon termination of employment. In addition, certified employees are paid at the end of the school year for each day in excess of the allowable accumulation.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 2 to 3 weeks per year based upon the number of years of service. Vacation leave does not accumulate from year to year. All unused vacation leave as of December 31 of the current year are converted to sick leave.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 1 to 3 days per year, based on job category. Unused personal leave may be accumulated up to 4 days for certified employees. Accumulated personal leave at the beginning of the school year is converted to sick leave.

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, and (2) operating grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At June 30, 2007, the bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2006 and 2007, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>	<u>2007</u>
General Fund	Rainy Day Fund	\$ 50,000	\$ -
Debt Service Fund	Transportation Fund	50,978	-
	Rainy Day Fund	75,000	50,000
	Other governmental funds	11,591	14,738
Capital Projects Fund	Rainy Day Fund	200,000	250,000
Other governmental funds	General Fund	-	1,369
	Other governmental funds	<u>13,000</u>	<u>19,000</u>
Totals		<u>\$ 400,569</u>	<u>\$ 335,107</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

C. Tax Anticipation Warrants

The School Corporation issues tax anticipation warrants for cash flow purposes in advance of property tax collections and/or state tuition support distributions, depositing the proceeds in the appropriate fund. Short-term debt activity for the years ended June 30, 2006, and June 30, 2007, was as follows:

<u>Fiscal Year 2005-2006</u>	<u>Beginning Balance</u>	<u>Issued/ Draws</u>	<u>Redeemed Repayments</u>	<u>Ending Balance</u>
Tax anticipation warrants	<u>\$ -</u>	<u>\$ 2,458,717</u>	<u>\$ 882,006</u>	<u>\$ 1,576,711</u>
 <u>Fiscal Year 2006-2007</u>				
Tax anticipation warrants	<u>\$ 1,576,711</u>	<u>\$ 2,101,689</u>	<u>\$ 1,412,207</u>	<u>\$ 2,266,193</u>

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The School Corporation is 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 (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Employee Dental Benefits

The School Corporation has chosen to establish a risk financing fund for risks associated with employee dental benefits. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund,) where assets are set aside for claim settlements. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

Medical Benefits to Employees, Retirees, and Dependents

During 1992, the School Corporation joined with other governmental entities to form the Midwest Area School Employees Insurance Trust, a public entity risk pool currently operating as a common risk management and insurance program for 17 member governmental entities. This risk pool was formed in 1986. The purpose of the risk pool is to provide a medium for the funding and administration of employees' medical benefits. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$2,000,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$175,000 limit.

B. Holding Corporations

The School Corporation has entered into a capital lease with the John Glenn School Building Corporation, John Glenn High School Building School Corporation, and Walkerton 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 school years 2005-2006 and 2006-2007 were \$1,935,500 and \$1,788,000.

C. Subsequent Event - Purchase of Real Property

The School Corporation purchased real property in August 2007 adjacent to the High School to be used for further expansion. The cost of the property was \$215,527.

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment health care benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 15 years of service. Currently, eleven retirees meet these eligibility requirements. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2007, disbursements of \$17,616 were recognized for postemployment benefits.

E. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the School Corporation and the Utilities is not available.

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 61,257
Interest on net pension obligation	(8,169)
Adjustment to annual required contribution	9,309
Annual pension cost	62,397
Contributions made	83,867
Decrease in net pension obligation	(21,470)
Net pension obligation, beginning of year	(112,677)
Net pension obligation, end of year	\$ (134,147)
Contribution rates:	
School Corporation	6.4%
Plan members	3%
Actuarial valuation date	07-01-06
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

Actuarial Assumptions

Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 62,505	120%	\$ (82,828)
	06-30-05	52,030	157%	(112,677)
	06-30-06	62,397	134%	(134,147)

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF 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 member's contributions, set by state statute at 3% 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.

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

Teachers' Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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.

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 7% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2007, 2006, and 2005, were \$115,941, \$99,123, and \$98,089, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

JOHN GLENN SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-04	\$ 1,346,464	\$ 1,286,978	\$ 59,486	105%	\$ 1,085,542	5%
07-01-05	1,411,370	1,442,863	(31,493)	98%	1,103,367	(3%)
07-01-06	1,425,244	1,370,959	54,285	104%	1,165,459	5%

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006

	Special Education Preschool	School Lunch	Textbook Rental	Levy Excess	Extended Day Kindergarten	Educational License Plate Fee	Safe School Haven
Receipts:							
Local sources	\$ 8,808	\$ 379,304	\$ 132,425	\$ -	\$ 111,312	\$ -	\$ -
Intermediate sources	-	-	-	-	-	675	-
State sources	32,593	12,955	24,601	-	-	-	3,594
Federal sources	-	251,857	-	-	-	-	-
Sale of property, adjustments and refunds	-	2,642	-	-	-	-	-
Total receipts	41,401	646,758	157,026	-	111,312	675	3,594
Disbursements:							
Current:							
Instruction	-	-	-	-	97,167	-	6,380
Support services	-	587,756	158,884	106,088	7,542	-	-
Nonprogrammed charges	41,952	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	41,952	587,756	158,884	106,088	104,709	-	6,380
Excess (deficiency) of receipts over disbursements	(551)	59,002	(1,858)	(106,088)	6,603	675	(2,786)
Other financing sources (uses):							
Transfers in	-	-	11,591	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	11,591	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(551)	59,002	9,733	(106,088)	6,603	675	(2,786)
Cash and investments - beginning	6,278	215,535	(10,571)	106,088	13,324	1,361	3,031
Cash and investments - ending	\$ 5,727	\$ 274,537	\$ (838)	\$ -	\$ 19,927	\$ 2,036	\$ 245
Cash and Investment Assets - Ending							
Cash and investments	\$ 5,727	\$ 274,537	\$ (838)	\$ -	\$ 19,927	\$ 2,036	\$ 245
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 5,727	\$ 274,537	\$ (838)	\$ -	\$ 19,927	\$ 2,036	\$ 245
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,727	274,537	(838)	-	19,927	2,036	245
Total cash and investment fund balance - ending	\$ 5,727	\$ 274,537	\$ (838)	\$ -	\$ 19,927	\$ 2,036	\$ 245

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Gifted and Talented	Medicaid Reimbursement State	Arts and Education Grant	Non-English Speaking Program	School Technology	Insurance Balance
Receipts:						
Local sources	\$ -	\$ -	\$ 75	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	13,345	1,369	2,555	263	-	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	-	-	5,949
Total receipts	13,345	1,369	2,630	263	-	5,949
Disbursements:						
Current:						
Instruction	13,345	-	2,630	263	-	-
Support services	-	-	-	-	868	5,949
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	13,345	-	2,630	263	868	5,949
Excess (deficiency) of receipts over disbursements	-	1,369	-	-	(868)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,369	-	-	(868)	-
Cash and investments - beginning	-	-	-	-	868	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 1,369	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 1,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	1,369	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Bridges Program	Technology English Pilot	Title I 2006-07	Title I 2005-06	Title V Part A	Title IV A Drug Free 2005-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	22,000	184,055	5,758	7,699
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	22,000	184,055	5,758	7,699
Disbursements:						
Current:						
Instruction	644	-	12,601	147,041	220	4,807
Support services	-	61,654	5,673	26,533	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	644	61,654	18,274	173,574	220	4,807
Excess (deficiency) of receipts over disbursements	(644)	(61,654)	3,726	10,481	5,538	2,892
Other financing sources (uses):						
Transfers in	-	-	-	13,000	-	-
Transfers out	-	-	(13,000)	-	-	-
Total other financing sources (uses)	-	-	(13,000)	13,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(644)	(61,654)	(9,274)	23,481	5,538	2,892
Cash and investments - beginning	5,689	75,614	9,274	-	220	4,327
Cash and investments - ending	\$ 5,045	\$ 13,960	\$ -	\$ 23,481	\$ 5,758	\$ 7,219
Cash and Investment Assets - Ending						
Cash and investments	\$ 5,045	\$ 13,960	\$ -	\$ 23,481	\$ 5,758	\$ 7,219
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 5,045	\$ 13,960	\$ -	\$ 23,481	\$ 5,758	\$ 7,219
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	5,045	13,960	-	23,481	5,758	7,219
Total cash and investment fund balance - ending	\$ 5,045	\$ 13,960	\$ -	\$ 23,481	\$ 5,758	\$ 7,219

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2006
 (Continued)

	Title IV Part A Drug Free	Medicaid Reimbursement Federal	Title II Part A Teacher Quality	Title II Part D Enhanced Teaching	Retirement Severance Bond	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 119,256	\$ 751,180
Intermediate sources	-	-	-	-	-	675
State sources	-	-	-	-	-	91,275
Federal sources	-	2,149	65,927	3,650	-	543,095
Sale of property, adjustments and refunds	-	-	-	-	7,000	15,591
Total receipts	-	2,149	65,927	3,650	126,256	1,401,816
Disbursements:						
Current:						
Instruction	6,599	-	38,574	-	-	330,271
Support services	-	-	27,997	1,732	-	990,676
Nonprogrammed charges	-	-	-	-	-	41,952
Debt services	-	-	-	-	107,182	107,182
Interfund loans	-	-	-	-	42,000	42,000
Total disbursements	6,599	-	66,571	1,732	149,182	1,512,081
Excess (deficiency) of receipts over disbursements	(6,599)	2,149	(644)	1,918	(22,926)	(110,265)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	24,591
Transfers out	-	-	-	-	-	(13,000)
Total other financing sources (uses)	-	-	-	-	-	11,591
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,599)	2,149	(644)	1,918	(22,926)	(98,674)
Cash and investments - beginning	7,452	-	44,122	4,936	50,874	538,422
Cash and investments - ending	\$ 853	\$ 2,149	\$ 43,478	\$ 6,854	\$ 27,948	\$ 439,748
Cash and Investment Assets - Ending						
Cash and investments	\$ 853	\$ 2,149	\$ 43,478	\$ 6,854	\$ -	\$ 411,800
Restricted assets:						
Cash and investments	-	-	-	-	27,948	27,948
Total cash and investment assets - ending	\$ 853	\$ 2,149	\$ 43,478	\$ 6,854	\$ 27,948	\$ 439,748
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 27,948	\$ 27,948
Unrestricted	853	2,149	43,478	6,854	-	411,800
Total cash and investment fund balance - ending	\$ 853	\$ 2,149	\$ 43,478	\$ 6,854	\$ 27,948	\$ 439,748

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007

	Special Education Preschool	School Lunch	Textbook Rental	Extended Day Kindergarten	Educational License Plate Fee	Safe School Haven	Gifted and Talented
Receipts:							
Local sources	\$ 6,056	\$ 372,782	\$ 129,847	\$ 81,323	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	3,225	-	-
State sources	34,341	12,795	25,000	-	-	6,300	13,345
Federal sources	-	277,052	-	-	-	-	-
Sale of property, adjustments and refunds	-	4,339	-	-	-	-	-
Total receipts	40,397	666,968	154,847	81,323	3,225	6,300	13,345
Disbursements:							
Current:							
Instruction	-	-	-	81,230	-	3,612	13,345
Support services	-	661,278	179,480	7,166	736	-	-
Nonprogrammed charges	33,343	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Total disbursements	33,343	661,278	179,480	88,396	736	3,612	13,345
Excess (deficiency) of receipts over disbursements	7,054	5,690	(24,633)	(7,073)	2,489	2,688	-
Other financing sources (uses):							
Transfers in	-	-	14,738	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	14,738	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	7,054	5,690	(9,895)	(7,073)	2,489	2,688	-
Cash and investments - beginning	5,727	274,537	(838)	19,927	2,036	245	-
Cash and investments - ending	\$ 12,781	\$ 280,227	\$ (10,733)	\$ 12,854	\$ 4,525	\$ 2,933	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 12,781	\$ 280,225	\$ (10,732)	\$ 12,855	\$ 4,525	\$ 2,933	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 12,781	\$ 280,225	\$ (10,732)	\$ 12,855	\$ 4,525	\$ 2,933	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	12,781	280,225	(10,732)	12,855	4,525	2,933	-
Total cash and investment fund balance - ending	\$ 12,781	\$ 280,225	\$ (10,732)	\$ 12,855	\$ 4,525	\$ 2,933	\$ -

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Medicaid Reimbursement State	Arts and Education Grant	Non-English Speaking Program	School Technology	Technology Plan Grant	Insurance Balance
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	3,038	450	-	81,163	-
Federal sources	-	-	-	-	-	-
Sale of property, adjustments and refunds	-	-	-	76,391	-	2,191
Total receipts	-	3,038	450	76,391	81,163	2,191
Disbursements:						
Current:						
Instruction	-	3,038	450	-	-	-
Support services	-	-	-	74,538	-	2,191
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	-	3,038	450	74,538	-	2,191
Excess (deficiency) of receipts over disbursements	-	-	-	1,853	81,163	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(1,369)	-	-	-	-	-
Total other financing sources (uses)	(1,369)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,369)	-	-	1,853	81,163	-
Cash and investments - beginning	1,369	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 1,853	\$ 81,163	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ 1,853	\$ 81,163	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 1,853	\$ 81,163	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	1,853	81,163	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 1,853	\$ 81,163	\$ -

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Bridges Program	Technology English Pilot	Title I 2006-07	Title I 2005-06	Title V Part A	Title IV A Drug Free 2005-06
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	187,588	15,000	2,851	-
Sale of property, adjustments and refunds	-	-	-	-	-	-
Total receipts	-	-	187,588	15,000	2,851	-
Disbursements:						
Current:						
Instruction	5,045	-	137,231	13,692	5,824	6,300
Support services	-	10,840	32,691	5,789	-	-
Nonprogrammed charges	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Total disbursements	5,045	10,840	169,922	19,481	5,824	6,300
Excess (deficiency) of receipts over disbursements	(5,045)	(10,840)	17,666	(4,481)	(2,973)	(6,300)
Other financing sources (uses):						
Transfers in	-	-	19,000	-	-	-
Transfers out	-	-	-	(19,000)	-	-
Total other financing sources (uses)	-	-	19,000	(19,000)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,045)	(10,840)	36,666	(23,481)	(2,973)	(6,300)
Cash and investments - beginning	5,045	13,960	-	23,481	5,758	7,219
Cash and investments - ending	\$ -	\$ 3,120	\$ 36,666	\$ -	\$ 2,785	\$ 919
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 3,120	\$ 36,667	\$ -	\$ 2,785	\$ 918
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 3,120	\$ 36,667	\$ -	\$ 2,785	\$ 918
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	3,120	36,667	-	2,785	918
Total cash and investment fund balance - ending	\$ -	\$ 3,120	\$ 36,667	\$ -	\$ 2,785	\$ 918

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2007
 (Continued)

	Title IV Part A Drug Free	Medicaid Reimbursement Federal	Title II Part A Teacher Quality	Title II Part D Enhanced Teaching	Retirement Severance Bond	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 96,877	\$ 686,885
Intermediate sources	-	-	-	-	-	3,225
State sources	-	-	-	-	-	176,432
Federal sources	6,149	-	65,220	-	-	553,860
Sale of property, adjustments and refunds	-	-	-	-	31,000	113,921
Total receipts	6,149	-	65,220	-	127,877	1,534,323
Disbursements:						
Current:						
Instruction	859	-	67,529	-	-	338,155
Support services	-	-	20,823	4,482	-	1,000,014
Nonprogrammed charges	-	2,149	-	-	-	35,492
Debt services	-	-	-	-	115,739	115,739
Interfund loans	-	-	-	-	31,000	31,000
Total disbursements	859	2,149	88,352	4,482	146,739	1,520,400
Excess (deficiency) of receipts over disbursements	5,290	(2,149)	(23,132)	(4,482)	(18,862)	13,923
Other financing sources (uses):						
Transfers in	-	-	-	-	-	33,738
Transfers out	-	-	-	-	-	(20,369)
Total other financing sources (uses)	-	-	-	-	-	13,369
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,290	(2,149)	(23,132)	(4,482)	(18,862)	27,292
Cash and investments - beginning	853	2,149	43,478	6,854	27,948	439,748
Cash and investments - ending	\$ 6,143	\$ -	\$ 20,346	\$ 2,372	\$ 9,086	\$ 467,040
Cash and Investment Assets - Ending						
Cash and investments	\$ 6,143	\$ -	\$ 20,346	\$ 2,372	\$ -	\$ 457,954
Restricted assets:						
Cash and investments	-	-	-	-	9,086	9,086
Total cash and investment assets - ending	\$ 6,143	\$ -	\$ 20,346	\$ 2,372	\$ 9,086	\$ 467,040
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ 9,086	\$ 9,086
Unrestricted	6,143	-	20,346	2,372	-	457,954
Total cash and investment fund balance - ending	\$ 6,143	\$ -	\$ 20,346	\$ 2,372	\$ 9,086	\$ 467,040

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2006

	Edward K. Vanderhoef <u>Scholarship</u>
Additions:	
Contributions:	
Other	\$ <u>2,609</u>
Cash and investment fund balance - beginning	<u>101,383</u>
Cash and Investments - June 30	<u>\$ 101,383</u>
Net assets:	
Cash and investments	<u>\$ 101,383</u>
Total net assets - cash and investment basis held in trust	<u>\$ -</u>

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2007

	Edward K. Vanderhoef Scholarship	John Glenn Educational Foundation	Totals
Additions:			
Contributions:			
Other	\$ 4,730	\$ 1,000	\$ 5,730
Cash and investment fund balance - beginning	103,992	-	103,992
Cash and Investments - June 30	\$ 108,722	\$ 1,000	\$ 109,722
Net assets:			
Cash and investments	\$ 108,722	\$ 1,000	\$ 109,722
Total net assets - cash and investment basis held in trust	\$ 108,722	\$ 1,000	\$ 109,722

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2006

	Payroll Clearing	Non-Corporation Overtime	Totals
Net assets:			
Cash and investments	\$ 82,416	\$ 1,839	\$ 84,255
Total net assets - cash and investment basis held in trust	\$ 82,416	\$ 1,839	\$ 84,255

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2007

	Payroll Clearing	Non-Corporation Overtime	Totals
Net assets:			
Cash and investments	\$ 86,845	\$ 867	\$ 87,712
Total net assets - cash and investment basis held in trust	\$ 86,845	\$ 867	\$ 87,712

JOHN GLENN SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For the Year Ended June 30, 2007

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.

Primary Government

Governmental activities:

Capital assets, not being depreciated:

Land	\$ 928,846
Buildings	27,715,806
Machinery and equipment	<u>2,177,213</u>

Total governmental activities, capital
assets not being depreciated \$ 30,821,865

JOHN GLENN SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 For the Year Ended June 30, 2007

The School Corporation has entered into the following long-term debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
School buildings	\$ 19,985,000	\$ 1,751,735
Notes and loans payable:		
Common school loan	91,912	62,117
Bonds payable:		
General obligation bonds:		
Pension bonds	<u>1,150,000</u>	<u>113,808</u>
Total governmental activities long-term debt	<u>\$ 21,226,912</u>	<u>\$ 1,927,660</u>

JOHN GLENN SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

NONUSE OF TICKET SALES FORM SA-4

The Form SA-4 was not used for athletic events' revenue at North Liberty Elementary School. No information was presented for audit to indicate anyone at the School accounts for the revenue generated by admission to athletic and social events.

Tickets are not sold and cash payments are taken at the time of admittance. As a result, full accountability for all money received from admissions could not be determined. The Detailed Revenue Ledger shows that \$997 was receipted from athletic gate receipts during the 2005-2006 school year and during the 2006-2007 school year; \$1,713 was receipted from athletic gate receipts.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from tickets sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Serially prenumbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events for which admission is charged. Part of the prenumbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained. All tickets (unused tickets and stubs) should be retained for audit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Tickets for each price group should be different colors and/or different in their series number. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

DISBURSEMENT DOCUMENTATION (Applies to North Liberty Elementary School)

Several payments were observed which did not contain adequate supporting documentation such as receipts, and invoices. One example of inadequate supporting documentation included an account past due letter with reference to an invoice, but no invoice was on file. Another example was a handwritten note showing who to make the check out to.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

JOHN GLENN SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

NONUSE OF FORM SA-7, CLAIM FOR PAYMENT AND FORM SA-1, PURCHASE ORDER ACCOUNTS PAYABLE VOUCHER (Applies to North Liberty Elementary School)

No Form SA-7, Claim for Payment, or Form SA-1, Purchase Order Accounts Payable Vouchers, was provided to us for the 2005-2006 and 2006-2007 school years for our audit. Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

DEPOSITS (Applies to North Liberty Elementary School)

Our audit showed that for the month of March 2007, the receipts issued included only one receipt showing checks collected. All other receipts show only cash collected. Seven of the fourteen deposit slips for March 2007 included check amounts. According to the March 2007 deposit slips, \$1,322 deposited as checks are shown on the receipts as cash collected.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

PUBLIC RECORDS RETENTION (Applies to North Liberty Elementary School)

Two of fourteen deposit slips for March 2007 were not provided for our audit. The corresponding receipt amounts were \$100 and \$240. The \$240 receipt was dated March 23, 2007, but deposited March 1, 2007.

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

JOHN GLENN SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

CONDITION OF RECORDS (Applies to North Liberty Elementary School)

The 2006-2007 annual report, Statement of Funds Report, shows a beginning year balance equal to the June 1, 2005 balance. The year-to-date revenue and expenses include amounts for both 2005-2006 and 2006-2007.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

DEPOSITS OF CASH COLLECTED

We found instances where the amount of cash shown on the receipt records of North Liberty Elementary School textbook rental collections did not agree to the amount of cash on the deposit slip. Receipt records for August 7, 2006, and August 8, 2006, show \$2,070 cash collected. Corresponding deposit slips dated August 16 and August 21, show \$1,620 cash deposited which is \$450 more cash collected than shown as deposited. The total receipts and total deposit amounts agree for these two days.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

DEPOSITS NOT MADE TIMELY

We found instances of collections of North Liberty Elementary School textbook rental receipts not deposited timely. Receipts dated August 7, 2006, \$14,775, and dated August 8, 2006, \$5,415, are shown as deposited on the bank statement on August 21, \$19,855, and August 23, \$335.

Indiana Code 41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay."

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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
INDIANAPOLIS, INDIANA 46204-2769

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE JOHN GLENN SCHOOL
CORPORATION, ST. JOSEPH COUNTY, INDIANA

Compliance

We have audited the compliance of the John Glenn School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the years ended June 30, 2006 and 2007. The School Corporation's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to its major federal program for the years ended June 30, 2006 and 2007.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a School Corporation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

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

STATE BOARD OF ACCOUNTS

February 4, 2008

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2006 and 2007

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-06	Total Federal Awards Expended 06-30-07
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 27,935	\$ 31,279
National School Lunch Program	10.555		225,631	240,094
Special Milk Program for Children	10.556		<u>1,638</u>	<u>2,089</u>
Total for cluster			<u>255,204</u>	<u>273,462</u>
Fresh Fruit and Vegetable Program	10.582		<u>25,131</u>	<u>41,782</u>
Total for federal grantor agency			<u>280,335</u>	<u>315,244</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title 1 Grants to Local Educational Agencies				
05-7150	84.010		18,274	-
06-7150			173,573	19,482
07-7150			<u>-</u>	<u>169,921</u>
Total for program			<u>191,847</u>	<u>189,403</u>
Safe and Drug Free Schools and Communities - State Grants				
03-227	84.186		4,327	-
04-067			6,599	853
05-165			480	6,300
7150-06			<u>-</u>	<u>6</u>
Total for program			<u>11,406</u>	<u>7,159</u>
State Grants for Innovative Programs				
04-051	84.298		220	-
05-139			-	5,758
06-7150			<u>-</u>	<u>66</u>
Total for program			<u>220</u>	<u>5,824</u>
Education Technology State Grants				
Period 2004-2006	84.318		1,640	2,400
Period 2005-2007			92	1,186
Period 2006-2008			<u>-</u>	<u>896</u>
Total for program			<u>1,732</u>	<u>4,482</u>
Improving Teacher Quality State Grants				
03-031	84.367		197	-
04-049			44,122	-
05-265			22,252	43,675
06-7150			<u>-</u>	<u>44,677</u>
Total for program			<u>66,571</u>	<u>88,352</u>
Total for federal grantor agency			<u>271,776</u>	<u>295,220</u>
Total federal awards expended			<u>\$ 552,111</u>	<u>\$ 610,464</u>

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

JOHN GLENN SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the John Glenn School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 the Indiana Code (IC 5-11-1 et seq.), audits of School Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2006 and 2007. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2006	2007
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$ 3,300	\$ 4,649
National School Lunch Program	10.555	25,177	33,452

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted?	no
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Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no
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Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster

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

Auditee qualified as low-risk auditee?	yes
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Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

JOHN GLENN SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

JOHN GLENN SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on February 4, 2008, with Darlene M. Flora, Treasurer; Richard M. Reese, Superintendent of Schools; and Michael D. Daube, School Board member. The officials concurred with our audit findings.