

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

JOHN GLENN SCHOOL CORPORATION
ST. JOSEPH COUNTY, INDIANA

July 1, 2011 to June 30, 2013



FILED
02/04/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Darlene M. Flora	07-01-11 to 12-31-13
Superintendent of Schools	Richard M. Reese	07-01-11 to 06-30-14
President of the Board of School Trustees	Jeffrey R. Johnson Janice K. Ryan Dennis D. Holland	01-01-11 to 12-31-11 01-01-12 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the John Glenn School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

As discussed in Note 1 of the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to June 30, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 6, 2013, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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


Paul D. Joyce, CPA
State Examiner

November 6, 2013



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the John Glenn School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to June 30, 2013, and the related notes to the financial statement, and have issued our report thereon dated November 6, 2013, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

November 6, 2013

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FINANCIAL STATEMENT

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

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JOHN GLENN SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2012 and 2013

	Cash and Investments 07-01-11		Other Financing Sources (Uses)		Cash and Investments 06-30-12		Other Financing Sources (Uses)		Cash and Investments 06-30-13	
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements
General	\$ 73,665	\$ 10,811,376	\$ 11,056,567	\$ 1,244	\$ (170,282)	\$ 11,912,635	\$ 11,496,779	\$ 2,092	\$ 247,666	
Debt Service	249,016	83,699	39,659	(12,643)	280,413	175,696	174,745	(20,838)	260,526	
Exempt Debt Service	770,550	1,741,790	1,644,000	-	868,340	1,638,486	1,645,500	-	861,326	
Exempt Pension Debt	56,748	114,112	114,086	-	56,774	106,915	107,151	-	56,538	
Capital Projects	745,893	1,002,166	1,290,925	-	457,134	1,432,165	1,302,291	-	587,008	
Transportation Operating	125,841	660,817	790,341	-	(3,683)	1,002,402	812,582	11,194	197,331	
Trans. School Bus Replacement	161,544	147,592	260,502	-	48,634	183,142	-	-	231,776	
Local Rainy Day	507,864	-	82,864	-	425,000	-	-	-	425,000	
Retirement/Severance Bond	173,183	-	5,490	-	167,693	-	3,989	-	163,704	
Construction	12,711	980,100	110,391	-	882,420	4,450	768,509	-	118,361	
School Lunch	456,561	865,613	848,682	-	473,492	891,853	908,048	-	457,297	
Book Rental	92,103	182,003	250,933	12,643	35,816	180,989	102,727	20,838	134,916	
Self-Insurance	87,910	98,356	94,109	-	92,157	107,791	100,924	-	99,024	
Before & After Child Care	8,303	54,006	53,681	-	8,628	63,120	62,305	-	9,443	
Educational License Plates	1,373	750	1,389	-	734	619	716	-	637	
Edward K Vanderhoef Scholarship	103,544	225	-	-	103,769	187	-	-	103,956	
John Glenn Education Foundation	1,000	-	-	-	1,000	-	1,000	-	-	
Marketing Programs	1,486	-	339	-	1,147	-	953	-	194	
High Ability Grant	-	31,701	31,701	-	-	31,310	31,310	-	-	
Education Technology	-	130,144	33,636	-	96,508	43,456	139,964	-	-	
Medicaid Reimbursement	-	1,271	-	(1,244)	27	2,097	-	(2,092)	32	
Cultural Arts	(742)	742	-	-	-	-	-	-	-	
Non-English Speaking Programs P.L. 273-1999	-	1,955	1,955	-	-	1,622	1,622	-	-	
School Technology	8,420	22,045	-	-	30,465	15,754	5,400	-	40,819	
Insurance	-	1,516	1,516	-	-	40,582	40,582	-	-	
Excess PTRC Distributions	-	3,574	-	-	3,574	7,620	-	(11,194)	-	
Title I 2010-2011	12,522	11,896	24,418	-	-	-	-	-	-	
Title I 2012-2013	-	-	-	-	-	205,746	220,065	-	(14,319)	
Title I 2011-2012	-	201,266	213,795	-	(12,529)	29,566	17,037	-	-	
Special Education Improvement	-	-	48,653	-	(48,653)	70,000	34,157	-	(12,810)	
PL 105-17 IDEA Part B	-	-	-	-	-	291,585	326,496	-	(34,911)	
PL 99-457 Preschool Handicap	-	-	-	-	-	11,837	11,837	-	-	
Title IV, Part A Drug Free Grant	-	904	904	-	-	-	-	-	-	
Medicaid Reimbursement - Federal	906	2,348	237	-	3,017	3,916	902	-	6,031	
Improving Teaching Quality, No Child Left, Title II, Part A	(6,472)	73,795	75,056	-	(7,733)	21,921	14,188	-	-	
Title II, Part A Teacher Quality	-	-	-	-	-	33,971	40,961	-	(6,990)	
Education Jobs	(16,704)	244,857	248,780	-	(20,627)	44,826	24,199	-	-	
Payroll	78,955	2,688,991	2,686,870	-	81,076	3,040,674	3,047,985	-	73,765	
Totals	\$ 3,706,180	\$ 20,159,610	\$ 20,011,479	\$ -	\$ 3,854,311	\$ 21,596,933	\$ 21,444,924	\$ -	\$ 4,006,320	

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

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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

C. Cash and Investments

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

D. Receipts

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

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

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

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

E. Disbursements

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

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

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

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

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

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

Nonprogrammed charges which include outflows for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

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

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

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

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

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursement for expenditures made by the School Corporation was not received by June 30, 2013.

Note 8. Holding Corporations

The School Corporation has entered into capital leases with the John Glenn School Corporation School Building Corporation and the John Glenn School Corporation High 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 fiscal years 2011-2012 and 2012-2013 totaled \$1,644,000 and \$1,645,500, respectively.

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Other Postemployment Benefits*

The School Corporation provides to eligible noncertified retirees and their spouses the following benefits: medical. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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

	General	Debt Service	Exempt Debt Service	Exempt Pension Debt	Capital Projects	Transportation Operating	Trans. School Bus Replacement	Local Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ 73,665	\$ 249,016	\$ 770,550	\$ 56,748	\$ 745,893	\$ 125,841	\$ 161,544	\$ 507,864	\$ 173,183
Receipts:									
Local sources	197,198	83,699	1,741,790	114,112	995,654	621,108	147,592	-	-
Intermediate sources	10,267	-	-	-	-	-	-	-	-
State sources	10,568,168	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other	35,743	-	-	-	6,512	39,709	-	-	-
Total receipts	<u>10,811,376</u>	<u>83,699</u>	<u>1,741,790</u>	<u>114,112</u>	<u>1,002,166</u>	<u>660,817</u>	<u>147,592</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	7,996,183	-	-	-	-	-	-	82,864	-
Support services	3,035,330	-	-	-	735,534	764,773	260,502	-	5,490
Noninstructional services	20,105	-	-	-	-	-	-	-	-
Facilities acquisition and construction	4,949	-	-	-	309,110	-	-	-	-
Debt services	-	39,659	1,644,000	114,086	246,281	25,568	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>11,056,567</u>	<u>39,659</u>	<u>1,644,000</u>	<u>114,086</u>	<u>1,290,925</u>	<u>790,341</u>	<u>260,502</u>	<u>82,864</u>	<u>5,490</u>
Excess (deficiency) of receipts over disbursements	<u>(245,191)</u>	<u>44,040</u>	<u>97,790</u>	<u>26</u>	<u>(288,759)</u>	<u>(129,524)</u>	<u>(112,910)</u>	<u>(82,864)</u>	<u>(5,490)</u>
Other financing sources (uses):									
Transfers in	1,244	-	-	-	-	-	-	-	-
Transfers out	-	(12,643)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,244</u>	<u>(12,643)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(243,947)</u>	<u>31,397</u>	<u>97,790</u>	<u>26</u>	<u>(288,759)</u>	<u>(129,524)</u>	<u>(112,910)</u>	<u>(82,864)</u>	<u>(5,490)</u>
Cash and investments - ending	<u>\$ (170,282)</u>	<u>\$ 280,413</u>	<u>\$ 868,340</u>	<u>\$ 56,774</u>	<u>\$ 457,134</u>	<u>\$ (3,683)</u>	<u>\$ 48,634</u>	<u>\$ 425,000</u>	<u>\$ 167,693</u>

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

	Construction	School Lunch	Book Rental	Self-Insurance	Before & After Child Care	Educational License Plates	Edward K Vanderhoef Scholarship	John Glenn Education Foundation	Marketing Programs
Cash and investments - beginning	\$ 12,711	\$ 456,561	\$ 92,103	\$ 87,910	\$ 8,303	\$ 1,373	\$ 103,544	\$ 1,000	\$ 1,486
Receipts:									
Local sources	-	409,359	119,478	98,356	54,006	-	225	-	-
Intermediate sources	-	-	-	-	-	750	-	-	-
State sources	-	11,901	62,525	-	-	-	-	-	-
Federal sources	-	443,471	-	-	-	-	-	-	-
Other	980,100	882	-	-	-	-	-	-	-
Total receipts	980,100	865,613	182,003	98,356	54,006	750	225	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	53,681	1,389	-	-	-
Support services	-	-	250,933	94,109	-	-	-	-	-
Noninstructional services	-	789,682	-	-	-	-	-	-	-
Facilities acquisition and construction	110,391	-	-	-	-	-	-	-	339
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	59,000	-	-	-	-	-	-	-
Total disbursements	110,391	848,682	250,933	94,109	53,681	1,389	-	-	339
Excess (deficiency) of receipts over disbursements	869,709	16,931	(68,930)	4,247	325	(639)	225	-	(339)
Other financing sources (uses):									
Transfers in	-	-	12,643	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	12,643	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	869,709	16,931	(56,287)	4,247	325	(639)	225	-	(339)
Cash and investments - ending	\$ 882,420	\$ 473,492	\$ 35,816	\$ 92,157	\$ 8,628	\$ 734	\$ 103,769	\$ 1,000	\$ 1,147

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

	High Ability Grant	Education Technology	Medicaid Reimbursement	Cultural Arts	Non-English Speaking Programs P.L. 273-1999	School Technology	Insurance	Excess PTRC Distributions	Title I 2010-2011
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (742)	\$ -	\$ 8,420	\$ -	\$ -	\$ 12,522
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	31,701	130,144	1,271	742	1,955	22,045	-	3,574	-
Federal sources	-	-	-	-	-	-	-	-	11,896
Other	-	-	-	-	-	-	1,516	-	-
Total receipts	31,701	130,144	1,271	742	1,955	22,045	1,516	3,574	11,896
Disbursements:									
Current:									
Instruction	31,701	-	-	-	1,955	-	-	-	24,074
Support services	-	-	-	-	-	-	1,516	-	-
Noninstructional services	-	-	-	-	-	-	-	-	344
Facilities acquisition and construction	-	33,636	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	31,701	33,636	-	-	1,955	-	1,516	-	24,418
Excess (deficiency) of receipts over disbursements	-	96,508	1,271	742	-	22,045	-	3,574	(12,522)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,244)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(1,244)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	96,508	27	742	-	22,045	-	3,574	(12,522)
Cash and investments - ending	\$ -	\$ 96,508	\$ 27	\$ -	\$ -	\$ 30,465	\$ -	\$ 3,574	\$ -

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

	Title I 2011-2012	Special Education Improvement	Title IV Part A Drug Free Grant	Medicaid Reimbursement Federal	Improving Teaching Quality No Child Left Title II, Part A	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 906	\$ (6,472)	\$ (16,704)	\$ 78,955	\$ 3,706,180
Receipts:								
Local sources	-	-	-	-	-	-	-	4,582,577
Intermediate sources	-	-	-	-	-	-	-	11,017
State sources	-	-	-	-	-	-	-	10,834,026
Federal sources	201,266	-	904	2,348	73,795	244,857	-	978,537
Other	-	-	-	-	-	-	2,688,991	3,753,453
Total receipts	<u>201,266</u>	<u>-</u>	<u>904</u>	<u>2,348</u>	<u>73,795</u>	<u>244,857</u>	<u>2,688,991</u>	<u>20,159,610</u>
Disbursements:								
Current:								
Instruction	213,728	280	904	237	53,716	248,780	-	8,709,492
Support services	-	-	-	-	21,340	-	-	5,169,527
Noninstructional services	67	-	-	-	-	-	-	810,198
Facilities acquisition and construction	-	48,373	-	-	-	-	-	506,798
Debt services	-	-	-	-	-	-	-	2,069,594
Nonprogrammed charges	-	-	-	-	-	-	2,686,870	2,745,870
Total disbursements	<u>213,795</u>	<u>48,653</u>	<u>904</u>	<u>237</u>	<u>75,056</u>	<u>248,780</u>	<u>2,686,870</u>	<u>20,011,479</u>
Excess (deficiency) of receipts over disbursements	<u>(12,529)</u>	<u>(48,653)</u>	<u>-</u>	<u>2,111</u>	<u>(1,261)</u>	<u>(3,923)</u>	<u>2,121</u>	<u>148,131</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	13,887
Transfers out	-	-	-	-	-	-	-	(13,887)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(12,529)</u>	<u>(48,653)</u>	<u>-</u>	<u>2,111</u>	<u>(1,261)</u>	<u>(3,923)</u>	<u>2,121</u>	<u>148,131</u>
Cash and investments - ending	<u>\$ (12,529)</u>	<u>\$ (48,653)</u>	<u>\$ -</u>	<u>\$ 3,017</u>	<u>\$ (7,733)</u>	<u>\$ (20,627)</u>	<u>\$ 81,076</u>	<u>\$ 3,854,311</u>

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013

	General	Debt Service	Exempt Debt Service	Exempt Pension Debt	Capital Projects	Transportation Operating	Trans. School Bus Replacement	Local Rainy Day	Retirement/ Severance Bond
Cash and investments - beginning	\$ (170,282)	\$ 280,413	\$ 868,340	\$ 56,774	\$ 457,134	\$ (3,683)	\$ 48,634	\$ 425,000	\$ 167,693
Receipts:									
Local sources	207,802	175,696	1,638,486	106,915	935,116	628,003	183,142	-	-
Intermediate sources	9,037	-	-	-	-	-	-	-	-
State sources	11,053,419	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	529,200	-	-	-	475,566	333,053	-	-	-
Other	113,177	-	-	-	21,483	41,346	-	-	-
Total receipts	<u>11,912,635</u>	<u>175,696</u>	<u>1,638,486</u>	<u>106,915</u>	<u>1,432,165</u>	<u>1,002,402</u>	<u>183,142</u>	<u>-</u>	<u>-</u>
Disbursements:									
Current:									
Instruction	8,128,421	-	-	-	-	-	-	-	-
Support services	3,343,977	-	-	-	796,978	710,431	-	-	3,989
Noninstructional services	19,815	-	-	-	-	-	-	-	-
Facilities acquisition and construction	4,566	-	-	-	447,795	-	-	-	-
Debt services	-	174,745	1,645,500	107,151	57,518	102,151	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>11,496,779</u>	<u>174,745</u>	<u>1,645,500</u>	<u>107,151</u>	<u>1,302,291</u>	<u>812,582</u>	<u>-</u>	<u>-</u>	<u>3,989</u>
Excess (deficiency) of receipts over disbursements	<u>415,856</u>	<u>951</u>	<u>(7,014)</u>	<u>(236)</u>	<u>129,874</u>	<u>189,820</u>	<u>183,142</u>	<u>-</u>	<u>(3,989)</u>
Other financing sources (uses):									
Transfers in	2,092	-	-	-	-	11,194	-	-	-
Transfers out	-	(20,838)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>2,092</u>	<u>(20,838)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,194</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>417,948</u>	<u>(19,887)</u>	<u>(7,014)</u>	<u>(236)</u>	<u>129,874</u>	<u>201,014</u>	<u>183,142</u>	<u>-</u>	<u>(3,989)</u>
Cash and investments - ending	<u>\$ 247,666</u>	<u>\$ 260,526</u>	<u>\$ 861,326</u>	<u>\$ 56,538</u>	<u>\$ 587,008</u>	<u>\$ 197,331</u>	<u>\$ 231,776</u>	<u>\$ 425,000</u>	<u>\$ 163,704</u>

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Construction	School Lunch	Book Rental	Self-Insurance	Before & After Child Care	Educational License Plates	Edward K Vanderhoef Scholarship	John Glenn Education Foundation	Marketing Programs
Cash and investments - beginning	\$ 882,420	\$ 473,492	\$ 35,816	\$ 92,157	\$ 8,628	\$ 734	\$ 103,769	\$ 1,000	\$ 1,147
Receipts:									
Local sources	-	416,760	116,253	107,791	63,120	-	187	-	-
Intermediate sources	-	-	-	-	-	619	-	-	-
State sources	-	11,412	64,736	-	-	-	-	-	-
Federal sources	-	462,558	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	4,450	1,123	-	-	-	-	-	-	-
Total receipts	4,450	891,853	180,989	107,791	63,120	619	187	-	-
Disbursements:									
Current:									
Instruction	-	-	-	-	62,305	716	-	1,000	-
Support services	-	-	102,727	100,924	-	-	-	-	-
Noninstructional services	-	838,048	-	-	-	-	-	-	-
Facilities acquisition and construction	768,509	-	-	-	-	-	-	-	953
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	70,000	-	-	-	-	-	-	-
Total disbursements	768,509	908,048	102,727	100,924	62,305	716	-	1,000	953
Excess (deficiency) of receipts over disbursements	(764,059)	(16,195)	78,262	6,867	815	(97)	187	(1,000)	(953)
Other financing sources (uses):									
Transfers in	-	-	20,838	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	20,838	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(764,059)	(16,195)	99,100	6,867	815	(97)	187	(1,000)	(953)
Cash and investments - ending	\$ 118,361	\$ 457,297	\$ 134,916	\$ 99,024	\$ 9,443	\$ 637	\$ 103,956	\$ -	\$ 194

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	High Ability Grant	Education Technology	Medicaid Reimbursement	Non-English Speaking Programs P.L. 273-1999	School Technology	Insurance	Excess PTRC Distributions	Title I 2012-2013	Title I 2011-2012
Cash and investments - beginning	\$ -	\$ 96,508	\$ 27	\$ -	\$ 30,465	\$ -	\$ 3,574	\$ -	\$ (12,529)
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	31,310	43,456	2,097	1,622	15,754	-	7,620	-	-
Federal sources	-	-	-	-	-	-	-	205,746	29,566
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	40,582	-	-	-
Total receipts	31,310	43,456	2,097	1,622	15,754	40,582	7,620	205,746	29,566
Disbursements:									
Current:									
Instruction	31,310	-	-	1,622	-	-	-	218,166	17,037
Support services	-	-	-	-	-	40,582	-	1,318	-
Noninstructional services	-	-	-	-	-	-	-	581	-
Facilities acquisition and construction	-	139,964	-	-	5,400	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	31,310	139,964	-	1,622	5,400	40,582	-	220,065	17,037
Excess (deficiency) of receipts over disbursements	-	(96,508)	2,097	-	10,354	-	7,620	(14,319)	12,529
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(2,092)	-	-	-	(11,194)	-	-
Total other financing sources (uses)	-	-	(2,092)	-	-	-	(11,194)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(96,508)	5	-	10,354	-	(3,574)	(14,319)	12,529
Cash and investments - ending	\$ -	\$ -	\$ 32	\$ -	\$ 40,819	\$ -	\$ -	\$ (14,319)	\$ -

JOHN GLENN SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2013
 (Continued)

	Special Education Improvement	PL 105-17 IDEA Part B	PL 99-457 Preschool Handicap	Medicaid Reimbursement Federal	Improving Teaching Quality No Child Left Title II, Part A	Title II Part A Teacher Quality	Education Jobs	Payroll	Totals
Cash and investments - beginning	\$ (48,653)	\$ -	\$ -	\$ 3,017	\$ (7,733)	\$ -	\$ (20,627)	\$ 81,076	\$ 3,854,311
Receipts:									
Local sources	-	-	-	-	-	-	-	-	4,579,271
Intermediate sources	-	-	-	-	-	-	-	-	9,656
State sources	-	-	-	-	-	-	-	-	11,231,426
Federal sources	70,000	291,585	11,837	3,916	21,921	33,971	44,826	-	1,175,926
Temporary loans	-	-	-	-	-	-	-	-	1,337,819
Other	-	-	-	-	-	-	-	3,040,674	3,262,835
Total receipts	70,000	291,585	11,837	3,916	21,921	33,971	44,826	3,040,674	21,596,933
Disbursements:									
Current:									
Instruction	20,720	284,498	11,837	902	2,247	35,442	24,199	-	8,840,422
Support services	-	41,998	-	-	11,941	5,519	-	-	5,160,384
Noninstructional services	-	-	-	-	-	-	-	-	858,444
Facilities acquisition and construction	13,437	-	-	-	-	-	-	-	1,380,624
Debt services	-	-	-	-	-	-	-	-	2,087,065
Nonprogrammed charges	-	-	-	-	-	-	-	3,047,985	3,117,985
Total disbursements	34,157	326,496	11,837	902	14,188	40,961	24,199	3,047,985	21,444,924
Excess (deficiency) of receipts over disbursements	35,843	(34,911)	-	3,014	7,733	(6,990)	20,627	(7,311)	152,009
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	34,124
Transfers out	-	-	-	-	-	-	-	-	(34,124)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	35,843	(34,911)	-	3,014	7,733	(6,990)	20,627	(7,311)	152,009
Cash and investments - ending	\$ (12,810)	\$ (34,911)	\$ -	\$ 6,031	\$ -	\$ (6,990)	\$ -	\$ 73,765	\$ 4,006,320

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
John Glenn School Corporation School Building Corporation	Urey Middle School	\$ 848,500	12-28-08	06-28-16
John Glenn School Corporation High School Building Corporation	John Glenn High School	<u>797,000</u>	08-01-05	02-01-25
Total of annual lease payments		<u>\$ 1,645,500</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	General obligation bonds, Series 2011		\$ 925,000	\$ 96,170
Pension Bonds	Retirement/Severance Bonds		825,000	100,153
Tax anticipation warrants:				
General Fund	General fund tax anticipation warrants		529,200	533,419
Capital project	Capital project tax anticipation warrants		366,489	369,411
Transportation	Transportation tax anticipation warrants		230,902	232,743
Common School Loans:				
Loan No. A1478	Education technology		103,020	35,284
Loan No. A1591	Education technology		156,240	36,196
Other Debt	CPF loan		<u>25,779</u>	<u>25,779</u>
Totals			<u>\$ 3,161,630</u>	<u>\$ 1,429,155</u>

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2013

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,094,118
Buildings	41,588,382
Improvements other than buildings	263,900
Machinery, equipment, and vehicles	<u>5,903,167</u>
 Total capital assets	 <u><u>\$ 48,849,567</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for Each Major Federal Program

We have audited the John Glenn School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to June 30, 2013.

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

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

November 6, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF AGRICULTURE</u>					
Child Nutrition Cluster	Indiana Department of Education				
School Breakfast Program		10.553		\$ 68,553	\$ 69,444
National School Lunch Program		10.555		414,093	436,850
Summer Food Service Program for Children		10.559		<u>24,885</u>	<u>25,630</u>
Total for Child Nutrition Cluster				<u>507,531</u>	<u>531,924</u>
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY2012	<u>1,074</u>	-
Total for U.S. Department of Agriculture				<u>508,605</u>	<u>531,924</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>					
Title I, Part A Cluster					
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010			
			10-7150	11,896	-
			11-7150	201,266	29,566
			12-7150	<u>-</u>	<u>205,746</u>
Total for Title I, Part A Cluster				<u>213,162</u>	<u>235,312</u>
Special Education Cluster (IDEA)	Indiana Department of Education				
Special Education - Grants to States		84.027		-	-
			Part B(611) 14213-135-PN01	-	70,000
				<u>-</u>	<u>291,585</u>
Total Special Education - Grants to States				<u>-</u>	<u>361,585</u>

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

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2012 and 2013
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-12	Total Federal Awards Expended 06-30-13
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>					
Special Education Cluster (IDEA) (continued)					
Special Education - Preschool Grants	Indiana Department of Education	84.173	45713-135-PN01	-	11,837
				-	373,422
Total for Special Education Cluster (IDEA)				-	373,422
Safe and Drug-Free Schools and Communities - State Grants Supplemental Funding	Indiana Department of Education	84.186	FY09-7150	904	-
Improving Teacher Quality State Grants	Indiana Department of Education	84.367			
			FY 2010-2011	31,668	-
			FY 2011-2012	42,127	21,921
			FY 2012-2013	-	33,971
Total for Improving Teacher Quality State Grants				73,795	55,892
Education Jobs Fund	Indiana Department of Education	84.410			
			FY 10	244,857	44,826
Total for U.S. Department of Education				532,718	709,452
<u>U.S. SOCIAL SECURITY ADMINISTRATION</u>					
Disability Insurance/SSI Cluster	Direct	96.001			
Social Security - Disability Insurance			FY2011-2012	28	3,916
Total federal awards expended				\$ 1,041,351	\$ 1,245,292

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

Note 1. 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 cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2012 and 2013. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2012	2013
Child Nutrition Cluster:			
School Breakfast Program	10.553	\$ 9,231	\$ 9,523
National School Lunch Program	10.555	55,903	59,913

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

JOHN GLENN SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on November 6, 2013, with Darlene M. Flora, Treasurer; Richard M. Reese, Superintendent of Schools; and Dennis D. Holland, President of the Board of School Trustees. Our audit disclosed no material items that warrant comment at this time.