

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, 2015 to June 30, 2017



FILED
07/19/2018

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
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 <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	10-11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances - Regulatory Basis.....	20-31
Schedule of Payables and Receivables	33
Schedule of Leases and Debt	34
Schedule of Capital Assets.....	35
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance	38-40
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	43
Notes to Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45-56
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	58-59
Corrective Action Plan	60-63
Other Reports.....	64

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Thomas L. Bendy	07-01-15 to 06-30-18
Superintendent of Schools	Richard M. Reese	07-01-15 to 06-30-19
President of the School Board	Curt Pletcher Robert A. Borlik Jeff Johnson Janice Ryan	01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17 01-01-18 to 12-31-18



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, 2015 to June 30, 2017, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (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 from material misstatement.

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2015 to June 30, 2017.

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, 2015 to June 30, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2018, 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 solely 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 effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

June 29, 2018



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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, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated June 29, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a significant deficiency.

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

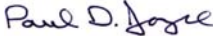
As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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*.

John Glenn School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

June 29, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 41,543	\$ 12,177,805	\$ 12,085,834	\$ 27,127	\$ 160,641	\$ 12,384,581	\$ 12,199,128	\$ (23,829)	\$ 322,265
Debt Service	226,616	364,079	378,695	(20,075)	191,925	394,176	383,340	(28,022)	174,739
Exempt Debt	975,941	1,614,372	1,630,000	-	960,313	1,425,580	1,215,000	-	1,170,893
Exempt Pension Debt	61,806	100,577	102,854	-	59,529	105,891	103,896	-	61,524
Capital Projects	215,195	1,019,770	1,107,592	-	127,373	1,121,814	1,104,896	-	144,291
School Transportation	138,850	793,828	706,179	(20,488)	206,011	823,182	704,724	(100,000)	224,469
School Bus Replacement	316,364	206,275	188,741	(45,000)	288,898	178,506	258,506	-	208,898
Rainy Day	425,000	16,498	-	100,000	541,498	27,600	159,139	174,963	584,922
Retirement/Severance Bond	159,221	-	-	-	159,221	-	-	-	159,221
Construction	1,020	-	1,021	-	(1)	17,742	17,742	-	(1)
Construction-2014 G.O. Bond	85,332	-	56,183	-	29,149	-	29,149	-	-
School Lunch	313,552	877,607	975,705	-	215,454	876,881	904,094	-	188,241
Textbook Rental	128,705	238,703	297,868	20,075	89,615	238,764	204,052	28,022	152,349
Self-Insurance	165,789	236,785	249,623	-	152,951	109,770	113,545	-	149,176
Levy Excess	313	34,199	-	(34,512)	-	1,750	-	-	1,750
Child Care Program	30,233	155,203	156,250	-	29,186	165,334	169,146	-	25,374
Educational License Plates	919	94	-	-	1,013	150	-	-	1,163
Early Intervention Grant	-	-	-	-	-	4,616	-	-	4,616
School Intervention and Career Counseling	-	-	-	-	-	15,000	15,000	-	-
Lilly Comprehensive Counseling Grant	-	-	-	-	-	30,000	11,640	-	18,360
United Way Kindergarten Readiness Camp	-	-	-	-	-	8,000	8,135	-	(135)
Scholarships and Awards	104,250	146	-	-	104,396	512	-	-	104,908
Community Soccer Complex and Renovation	500,000	32,955	518,030	-	14,925	-	14,925	-	-
Formative Assessment	-	17,817	17,817	-	-	-	-	-	-
FY16 High Ability Grant	-	32,574	32,574	-	-	-	-	-	-
FY17 High Ability Grant	-	-	-	-	-	32,704	27,309	-	5,395
FY16 School Tech Advancement Grant	-	58,100	58,100	-	-	-	-	-	-
A2701 Common School Tech Loan	-	-	160,013	-	(160,013)	179,000	18,987	-	-
A2913 Common School Tech Loan	-	-	-	-	-	107,300	107,300	-	-
Medicaid Reimbursement	-	29,349	-	(24,654)	4,695	52,444	-	(51,134)	6,005
Secured Schools Safety Grant	(9,869)	14,258	15,694	-	(11,305)	12,034	10,253	-	(9,524)

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, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
FY17 NESP Grant	-	-	-	-	-	3,122	3,122	-	-
School Technology	20,100	14,061	17,520	-	16,641	13,305	20,580	-	9,366
Career and Technical Performance Grant	-	-	-	-	-	6,053	4,538	-	1,515
Performance Based Awards	2,473	-	-	(2,473)	-	-	-	-	-
Miscellaneous Programs	-	-	-	-	-	-	-	-	-
FY16 Formative Assessment Grant	-	-	-	-	-	23,639	23,639	-	-
Senator David Ford Technology	-	-	-	-	-	-	-	-	-
Project Lead the Way	-	15,000	-	-	15,000	-	15,000	-	-
Title I 2014-2015	(17,709)	72,470	54,761	-	-	-	-	-	-
Title I 2015-2016	-	222,831	237,180	-	(14,349)	42,916	28,567	-	-
Title I 2016-2017	-	-	-	-	-	200,595	216,028	-	(15,433)
(IDEA, Part B) LEA Capacity Building (Sliver) Grants	-	-	-	-	-	-	-	-	-
Special Education Part B 611 Grant FY15	(30,949)	30,949	-	-	-	-	-	-	-
Special Education Part B 611 Grant FY16	-	315,964	382,489	-	(66,525)	66,525	-	-	-
Special Education Part B 611 Grant FY17	-	-	-	-	-	320,583	356,165	-	(35,582)
Special Education Part B 619 Grant FY16	-	11,224	11,224	-	-	-	-	-	-
Special Education Part B 619 Grant FY17	-	-	-	-	-	11,849	11,849	-	-
Medicaid Reimbursement - Federal	56,169	64,928	25,440	-	95,657	114,709	19,281	-	191,085
Improving Teacher Quality, No Child Left, Title II, Part A	-	-	-	-	-	-	-	-	-
Title II Part A FY14	(3,918)	17,762	21,111	-	(7,267)	9,489	2,224	-	(2)
Title II Part A FY15	-	18,175	26,132	-	(7,957)	30,994	24,018	-	(981)
Title II Part A FY16	-	-	-	-	-	17,583	20,780	-	(3,197)
Payroll Clearing Fund Balance	(3,435)	4,344,000	4,340,510	-	55	3,112,288	3,072,469	-	39,874
Non Corporation O.T.	(21,250)	121,888	122,534	-	(21,896)	189,106	212,293	-	(45,083)
Prepaid Food	13,594	396,347	397,663	-	12,278	394,821	393,095	-	14,004
Totals	<u>\$ 3,895,855</u>	<u>\$ 23,666,593</u>	<u>\$ 24,375,337</u>	<u>\$ -</u>	<u>\$ 3,187,111</u>	<u>\$ 22,870,908</u>	<u>\$ 22,203,554</u>	<u>\$ -</u>	<u>\$ 3,854,465</u>

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, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

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 a cost-sharing 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
One North Capitol, 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
One North Capitol, 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. Some of these fund deficits are from reimbursable grants and the common school loans which are also reimbursable. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2016 and 2017. The Non Corporation O.T. fund contains a deficit cash balance due to payroll expenses incurred for the MASE Insurance Trust Employees paid by the School Corporation, then reimbursed quarterly by the MASE Trust.

JOHN GLENN SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporations*

The School Corporation had entered into capital leases with the John Glenn 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 years ended June 30, 2016 and 2017, totaled \$1,630,000 and \$1,215,000, respectively.

Note 9. *Other Postemployment Benefits*

The School Corporation provides medical benefits to eligible retirees and their spouses. These benefits may 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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OTHER INFORMATION - UNAUDITED

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

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

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

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, 2016

	General	Debt Service	Exempt Debt	Exempt Pension Debt	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/Severance Bond	Construction
Cash and investments - beginning	\$ 41,543	\$ 226,616	\$ 975,941	\$ 61,806	\$ 215,195	\$ 138,850	\$ 316,364	\$ 425,000	\$ 159,221	\$ 1,020
Receipts:										
Local sources	287,246	364,079	1,614,372	100,577	1,011,974	735,171	194,070	16,498	-	-
Intermediate sources	9,601	-	-	-	-	-	-	-	-	-
State sources	11,865,697	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	15,261	-	-	-	7,796	58,657	12,205	-	-	-
Total receipts	12,177,805	364,079	1,614,372	100,577	1,019,770	793,828	206,275	16,498	-	-
Disbursements:										
Instruction	8,123,784	-	-	-	-	-	-	-	-	-
Support services	3,937,774	-	-	-	820,102	706,179	188,741	-	-	-
Noninstructional services	22,017	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	2,259	-	-	-	287,490	-	-	-	-	1,021
Debt service	-	378,695	1,630,000	102,854	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,085,834	378,695	1,630,000	102,854	1,107,592	706,179	188,741	-	-	1,021
Excess (deficiency) of receipts over disbursements	91,971	(14,616)	(15,628)	(2,277)	(87,822)	87,649	17,534	16,498	-	(1,021)
Other financing sources (uses):										
Transfers in	27,127	-	-	-	-	34,512	-	100,000	-	-
Transfers out	-	(20,075)	-	-	-	(55,000)	(45,000)	-	-	-
Total other financing sources (uses)	27,127	(20,075)	-	-	-	(20,488)	(45,000)	100,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	119,098	(34,691)	(15,628)	(2,277)	(87,822)	67,161	(27,466)	116,498	-	(1,021)
Cash and investments - ending	\$ 160,641	\$ 191,925	\$ 960,313	\$ 59,529	\$ 127,373	\$ 206,011	\$ 288,898	\$ 541,498	\$ 159,221	\$ (1)

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, 2016

	Construction- 2014 G.O. Bond	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Child Care Program	Educational License Plates	Early Intervention Grant	School Intervention and Career Counseling	Lilly Comprehensive Counseling Grant
Cash and investments - beginning	\$ 85,332	\$ 313,552	\$ 128,705	\$ 165,789	\$ 313	\$ 30,233	\$ 919	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	411,885	180,537	236,785	34,199	155,203	-	-	-	-
Intermediate sources	-	-	-	-	-	-	94	-	-	-
State sources	-	12,593	58,166	-	-	-	-	-	-	-
Federal sources	-	451,715	-	-	-	-	-	-	-	-
Other receipts	-	1,414	-	-	-	-	-	-	-	-
Total receipts	-	877,607	238,703	236,785	34,199	155,203	94	-	-	-
Disbursements:										
Instruction	-	-	-	-	-	156,250	-	-	-	-
Support services	-	-	297,868	249,623	-	-	-	-	-	-
Noninstructional services	-	911,705	-	-	-	-	-	-	-	-
Facilities acquisition and construction	56,183	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	64,000	-	-	-	-	-	-	-	-
Total disbursements	56,183	975,705	297,868	249,623	-	156,250	-	-	-	-
Excess (deficiency) of receipts over disbursements	(56,183)	(98,098)	(59,165)	(12,838)	34,199	(1,047)	94	-	-	-
Other financing sources (uses):										
Transfers in	-	-	20,075	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(34,512)	-	-	-	-	-
Total other financing sources (uses)	-	-	20,075	-	(34,512)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(56,183)	(98,098)	(39,090)	(12,838)	(313)	(1,047)	94	-	-	-
Cash and investments - ending	\$ 29,149	\$ 215,454	\$ 89,615	\$ 152,951	\$ -	\$ 29,186	\$ 1,013	\$ -	\$ -	\$ -

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, 2016

	United Way Kindergarten Readiness Camp	Scholarships and Awards	Community Soccer Complex and Renovation	Formative Assessment	FY16 High Ability Grant	FY17 High Ability Grant	FY16 School Tech Advancement Grant	A2701 Common School Tech Loan	A2913 Common School Tech Loan	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ 104,250	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	146	32,955	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	17,817	32,574	-	58,100	-	-	29,349
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	-	146	32,955	17,817	32,574	-	58,100	-	-	29,349
Disbursements:										
Instruction	-	-	-	17,817	32,574	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	518,030	-	-	-	58,100	160,013	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	518,030	17,817	32,574	-	58,100	160,013	-	-
Excess (deficiency) of receipts over disbursements	-	146	(485,075)	-	-	-	-	(160,013)	-	29,349
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(24,654)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(24,654)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	146	(485,075)	-	-	-	-	(160,013)	-	4,695
Cash and investments - ending	\$ -	\$ 104,396	\$ 14,925	\$ -	\$ -	\$ -	\$ -	\$ (160,013)	\$ -	\$ 4,695

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, 2016

	Secured Schools Safety Grant	FY17 NESP Grant	School Technology	Career and Technical Performance Grant	Performance Based Awards	Miscellaneous Programs	FY16 Formative Assessment Grant	Senator David Ford Technology	Project Lead the Way
Cash and investments - beginning	\$ (9,869)	\$ -	\$ 20,100	\$ -	\$ 2,473	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	15,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	14,258	-	14,061	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	14,258	-	14,061	-	-	-	-	-	15,000
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	-
Support services	13,409	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	2,285	-	17,520	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	15,694	-	17,520	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	(1,436)	-	(3,459)	-	-	-	-	-	15,000
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(2,473)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(2,473)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,436)	-	(3,459)	-	(2,473)	-	-	-	15,000
Cash and investments - ending	\$ (11,305)	\$ -	\$ 16,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000

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, 2016

	Title I 2014-2015	Title I 2015-2016	Title I 2016-2017	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Education Part B 611 Grant FY15	Special Education Part B 611 Grant FY16	Special Education Part B 611 Grant FY17	Special Education Part B 619 Grant FY16	Special Education Part B 619 Grant FY17
Cash and investments - beginning	\$ (17,709)	\$ -	\$ -	\$ -	\$ (30,949)	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	72,470	222,831	-	-	30,949	315,964	-	11,224	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	72,470	222,831	-	-	30,949	315,964	-	11,224	-
Disbursements:									
Instruction	53,436	233,597	-	-	-	334,982	-	11,224	-
Support services	729	434	-	-	-	47,507	-	-	-
Noninstructional services	596	3,149	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	54,761	237,180	-	-	-	382,489	-	11,224	-
Excess (deficiency) of receipts over disbursements	17,709	(14,349)	-	-	30,949	(66,525)	-	-	-
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	17,709	(14,349)	-	-	30,949	(66,525)	-	-	-
Cash and investments - ending	\$ -	\$ (14,349)	\$ -	\$ -	\$ -	\$ (66,525)	\$ -	\$ -	\$ -

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, 2016

	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title II Part A FY14	Title II Part A FY15	Title II Part A FY16	Payroll Clearing Fund Balance	Non Corporation O.T.	Prepaid Food	Totals
Cash and investments - beginning	\$ 56,169	\$ -	\$ (3,918)	\$ -	\$ -	\$ (3,435)	\$ (21,250)	\$ 13,594	\$ 3,895,855
Receipts:									
Local sources	-	-	-	-	-	-	-	-	5,390,697
Intermediate sources	-	-	-	-	-	-	-	-	9,695
State sources	-	-	-	-	-	-	-	-	12,102,615
Federal sources	64,928	-	17,762	18,175	-	-	-	-	1,206,018
Other receipts	-	-	-	-	-	4,344,000	121,888	396,347	4,957,568
Total receipts	64,928	-	17,762	18,175	-	4,344,000	121,888	396,347	23,666,593
Disbursements:									
Instruction	25,440	-	10,106	26,132	-	-	-	-	9,025,342
Support services	-	-	11,005	-	-	-	-	-	6,273,371
Noninstructional services	-	-	-	-	-	-	-	-	937,467
Facilities acquisition and construction	-	-	-	-	-	-	-	-	1,102,901
Debt service	-	-	-	-	-	-	-	-	2,111,549
Nonprogrammed charges	-	-	-	-	-	4,340,510	122,534	397,663	4,924,707
Total disbursements	25,440	-	21,111	26,132	-	4,340,510	122,534	397,663	24,375,337
Excess (deficiency) of receipts over disbursements	39,488	-	(3,349)	(7,957)	-	3,490	(646)	(1,316)	(708,744)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	181,714
Transfers out	-	-	-	-	-	-	-	-	(181,714)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	39,488	-	(3,349)	(7,957)	-	3,490	(646)	(1,316)	(708,744)
Cash and investments - ending	\$ 95,657	\$ -	\$ (7,267)	\$ (7,957)	\$ -	\$ 55	\$ (21,896)	\$ 12,278	\$ 3,187,111

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, 2017

	General	Debt Service	Exempt Debt	Exempt Pension Debt	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/Severance Bond	Construction
Cash and investments - beginning	\$ 160,641	\$ 191,925	\$ 960,313	\$ 59,529	\$ 127,373	\$ 206,011	\$ 288,898	\$ 541,498	\$ 159,221	\$ (1)
Receipts:										
Local sources	241,961	394,146	1,425,580	105,891	1,116,545	779,081	178,506	-	-	17,742
Intermediate sources	3,624	-	-	-	-	-	-	-	-	-
State sources	12,115,562	-	-	-	-	-	-	-	-	-
Federal sources	6,570	-	-	-	-	-	-	-	-	-
Other receipts	16,864	30	-	-	5,269	44,101	-	27,600	-	-
Total receipts	12,384,581	394,176	1,425,580	105,891	1,121,814	823,182	178,506	27,600	-	17,742
Disbursements:										
Instruction	8,162,671	-	-	-	-	-	-	102,563	-	-
Support services	4,017,683	-	-	-	893,480	704,724	258,506	56,576	-	-
Noninstructional services	17,698	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	1,076	-	-	-	211,416	-	-	-	-	17,742
Debt service	-	383,340	1,215,000	103,896	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	12,199,128	383,340	1,215,000	103,896	1,104,896	704,724	258,506	159,139	-	17,742
Excess (deficiency) of receipts over disbursements	185,453	10,836	210,580	1,995	16,918	118,458	(80,000)	(131,539)	-	-
Other financing sources (uses):										
Transfers in	51,134	-	-	-	-	-	-	174,963	-	-
Transfers out	(74,963)	(28,022)	-	-	-	(100,000)	-	-	-	-
Total other financing sources (uses)	(23,829)	(28,022)	-	-	-	(100,000)	-	174,963	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	161,624	(17,186)	210,580	1,995	16,918	18,458	(80,000)	43,424	-	-
Cash and investments - ending	\$ 322,265	\$ 174,739	\$ 1,170,893	\$ 61,524	\$ 144,291	\$ 224,469	\$ 208,898	\$ 584,922	\$ 159,221	\$ (1)

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, 2017

	Construction- 2014 G.O. Bond	School Lunch	Textbook Rental	Self- Insurance	Levy Excess	Child Care Program	Educational License Plates	Early Intervention Grant	School Intervention and Career Counseling	Lilly Comprehensive Counseling Grant
Cash and investments - beginning	\$ 29,149	\$ 215,454	\$ 89,615	\$ 152,951	\$ -	\$ 29,186	\$ 1,013	\$ -	\$ -	\$ -
Receipts:										
Local sources	-	406,747	179,181	109,770	1,750	165,334	-	-	-	30,000
Intermediate sources	-	-	-	-	-	-	150	-	-	-
State sources	-	13,015	59,583	-	-	-	-	4,616	15,000	-
Federal sources	-	456,459	-	-	-	-	-	-	-	-
Other receipts	-	660	-	-	-	-	-	-	-	-
Total receipts	-	876,881	238,764	109,770	1,750	165,334	150	4,616	15,000	30,000
Disbursements:										
Instruction	-	-	-	-	-	169,146	-	-	-	-
Support services	-	-	204,052	59,640	-	-	-	-	15,000	11,640
Noninstructional services	-	834,094	-	-	-	-	-	-	-	-
Facilities acquisition and construction	29,149	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	70,000	-	53,905	-	-	-	-	-	-
Total disbursements	29,149	904,094	204,052	113,545	-	169,146	-	-	15,000	11,640
Excess (deficiency) of receipts over disbursements	(29,149)	(27,213)	34,712	(3,775)	1,750	(3,812)	150	4,616	-	18,360
Other financing sources (uses):										
Transfers in	-	-	28,022	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	28,022	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(29,149)	(27,213)	62,734	(3,775)	1,750	(3,812)	150	4,616	-	18,360
Cash and investments - ending	\$ -	\$ 188,241	\$ 152,349	\$ 149,176	\$ 1,750	\$ 25,374	\$ 1,163	\$ 4,616	\$ -	\$ 18,360

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, 2017

	United Way Kindergarten Readiness Camp	Scholarships and Awards	Community Soccer Complex and Renovation	Formative Assessment	FY16 High Ability Grant	FY17 High Ability Grant	FY16 School Tech Advancement Grant	A2701 Common School Tech Loan	A2913 Common School Tech Loan	Medicaid Reimbursement
Cash and investments - beginning	\$ -	\$ 104,396	\$ 14,925	\$ -	\$ -	\$ -	\$ -	\$ (160,013)	\$ -	\$ 4,695
Receipts:										
Local sources	8,000	512	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	32,704	-	179,000	107,300	52,444
Federal sources	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-	-
Total receipts	8,000	512	-	-	-	32,704	-	179,000	107,300	52,444
Disbursements:										
Instruction	8,135	-	-	-	-	27,309	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	14,925	-	-	-	-	18,987	107,300	-
Debt service	-	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-	-
Total disbursements	8,135	-	14,925	-	-	27,309	-	18,987	107,300	-
Excess (deficiency) of receipts over disbursements	(135)	512	(14,925)	-	-	5,395	-	160,013	-	52,444
Other financing sources (uses):										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	(51,134)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	(51,134)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(135)	512	(14,925)	-	-	5,395	-	160,013	-	1,310
Cash and investments - ending	\$ (135)	\$ 104,908	\$ -	\$ -	\$ -	\$ 5,395	\$ -	\$ -	\$ -	\$ 6,005

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, 2017

	Secured Schools Safety Grant	FY17 NESP Grant	School Technology	Career and Technical Performance Grant	Performance Based Awards	Miscellaneous Programs	FY16 Formative Assessment Grant	Senator David Ford Technology	Project Lead the Way
Cash and investments - beginning	\$ (11,305)	\$ -	\$ 16,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	12,034	3,122	13,305	6,053	-	-	23,639	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	12,034	3,122	13,305	6,053	-	-	23,639	-	-
Disbursements:									
Instruction	-	3,122	-	4,538	-	-	23,639	-	15,000
Support services	9,977	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	276	-	20,580	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,253	3,122	20,580	4,538	-	-	23,639	-	15,000
Excess (deficiency) of receipts over disbursements	1,781	-	(7,275)	1,515	-	-	-	-	(15,000)
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	1,781	-	(7,275)	1,515	-	-	-	-	(15,000)
Cash and investments - ending	\$ (9,524)	\$ -	\$ 9,366	\$ 1,515	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2017

	Title I 2014-2015	Title I 2015-2016	Title I 2016-2017	(IDEA, Part B) LEA Capacity Building (Sliver) Grants	Special Education Part B 611 Grant FY15	Special Education Part B 611 Grant FY16	Special Education Part B 611 Grant FY17	Special Education Part B 619 Grant FY16	Special Education Part B 619 Grant FY17
Cash and investments - beginning	\$ -	\$ (14,349)	\$ -	\$ -	\$ -	\$ (66,525)	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	42,916	200,595	-	-	66,525	320,583	-	11,849
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	42,916	200,595	-	-	66,525	320,583	-	11,849
Disbursements:									
Instruction	-	27,307	213,018	-	-	-	259,051	-	11,849
Support services	-	1,260	-	-	-	-	97,114	-	-
Noninstructional services	-	-	3,010	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	28,567	216,028	-	-	-	356,165	-	11,849
Excess (deficiency) of receipts over disbursements	-	14,349	(15,433)	-	-	66,525	(35,582)	-	-
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	-	14,349	(15,433)	-	-	66,525	(35,582)	-	-
Cash and investments - ending	\$ -	\$ -	\$ (15,433)	\$ -	\$ -	\$ -	\$ (35,582)	\$ -	\$ -

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, 2017

	Medicaid Reimbursement - Federal	Improving Teacher Quality, No Child Left, Title II, Part A	Title II Part A FY14	Title II Part A FY15	Title II Part A FY16	Payroll Clearing Fund Balance	Non Corporation O.T.	Prepaid Food	Totals
Cash and investments - beginning	\$ 95,657	\$ -	\$ (7,267)	\$ (7,957)	\$ -	\$ 55	\$ (21,896)	\$ 12,278	\$ 3,187,111
Receipts:									
Local sources	-	-	-	-	-	-	-	-	5,160,746
Intermediate sources	-	-	-	-	-	-	-	-	3,774
State sources	-	-	-	-	-	-	-	-	12,637,377
Federal sources	114,709	-	9,489	30,994	17,583	-	-	-	1,278,272
Other receipts	-	-	-	-	-	3,112,288	189,106	394,821	3,790,739
Total receipts	114,709	-	9,489	30,994	17,583	3,112,288	189,106	394,821	22,870,908
Disbursements:									
Instruction	19,281	-	-	19,013	20,780	-	-	-	9,086,422
Support services	-	-	2,224	5,005	-	-	-	-	6,336,881
Noninstructional services	-	-	-	-	-	-	-	-	854,802
Facilities acquisition and construction	-	-	-	-	-	-	-	-	421,451
Debt service	-	-	-	-	-	-	-	-	1,702,236
Nonprogrammed charges	-	-	-	-	-	3,072,469	212,293	393,095	3,801,762
Total disbursements	19,281	-	2,224	24,018	20,780	3,072,469	212,293	393,095	22,203,554
Excess (deficiency) of receipts over disbursements	95,428	-	7,265	6,976	(3,197)	39,819	(23,187)	1,726	667,354
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	254,119
Transfers out	-	-	-	-	-	-	-	-	(254,119)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	95,428	-	7,265	6,976	(3,197)	39,819	(23,187)	1,726	667,354
Cash and investments - ending	\$ 191,085	\$ -	\$ (2)	\$ (981)	\$ (3,197)	\$ 39,874	\$ (45,083)	\$ 14,004	\$ 3,854,465

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JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 567,891</u>	<u>\$ 67,011</u>

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
First American Equipment Finance	Computers for 1:1 Initiative	\$ 29,164	08/01/2017	08/01/2021
Kansas State Bank	Computers for 1:1 Initiative	4,800	07/03/2014	07/01/2017
Kansas State Bank	Computers for 1:1 Initiative	30,691	05/01/2014	05/01/2018
Kansas State Bank	Computers for 1:1 Initiative	18,839	06/01/2015	07/01/2019
Kansas State Bank	Computers for 1:1 Initiative	6,500	08/28/2014	07/01/2017
Ricoh	Copiers	17,899	07/10/2015	07/01/2020
John Glenn School Building Corporation	John Glenn High School Constructions	217,000	07/15/2015	01/15/2024
John Glenn School Corporation High School Building Corporation	John Glenn High School Constructions/Refunding	<u>1,423,000</u>	02/04/2015	01/15/2025
Total of annual lease payments		<u>\$ 1,747,893</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	General Obligation Bond 2011		\$ 645,000	\$ 91,375
General obligation bonds	General Obligation Bond 2014		475,000	196,370
General obligation bonds	Retirement/Severance Bonds-Pension 2002		550,000	104,434
Notes and loans payable	Common School Loan A1591 for Technology		17,360	17,447
Notes and loans payable	Common School Loan A1822		105,000	30,975
Notes and loans payable	Common School Loan A1972		48,417	19,803
Notes and loans payable	Common School Loan A2701		161,100	37,322
Notes and loans payable	Common School Loan A2913		<u>107,300</u>	<u>11,456</u>
Totals			<u>\$ 2,109,177</u>	<u>\$ 509,182</u>

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2017

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	\$ 1,094,513
Buildings	42,990,445
Improvements other than buildings	261,722
Machinery, equipment, and vehicles	<u>5,190,357</u>
Total capital assets	<u><u>\$ 49,537,037</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE 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 the Major Federal Program

We have audited the John Glenn School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the period of July 1, 2015 to June 30, 2017. 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.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the School Corporation's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Basis for Qualified Opinion on Child Nutrition Cluster

As described in items 2017-003 and 2017-004 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Allowable Costs/ Cost Principles, Program Income, and Procurement and Suspension and Debarment that are applicable to its Child Nutrition Cluster. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

Qualified Opinion on Child Nutrition Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Child Nutrition Cluster* paragraph, 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 the Child Nutrition Cluster for the period of July 1, 2015 to June 30, 2017.

Other Matters

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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

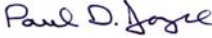
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-003, and 2017-004, that we consider to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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


Paul D. Joyce, CPA
State Examiner

June 29, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

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	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553	FY 15-16, FY 16-17	\$ -	\$ 61,108	\$ -	\$ 57,947
National School Lunch Program	Indiana Department of Education	10.555	FY 15-16, FY 16-17	-	365,585	-	370,820
National School Lunch Program - Commodities			FY 15-16, FY 16-17	-	62,265	-	81,374
Total - National School Lunch Program				-	427,850	-	452,194
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 15-16, FY 16-17	-	25,023	-	26,723
Total - Child Nutrition Cluster				-	513,981	-	536,864
Child and Adult Care Food Program	Indiana Department of Education	10.558	FY 16-17	-	-	-	969
Total - Department of Agriculture				-	513,981	-	537,833
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027	14215-135-PN01	-	30,949	-	-
			14216-106-PN01	-	315,964	-	66,525
			14217-106-PN01	-	-	-	320,583
Total - Special Education_Grants to States				-	346,913	-	387,108
Special Education_Preschool Grants	Indiana Department of Education	84.173	45716-106-PN01	-	11,224	-	-
			45717-106-PN01	-	-	-	11,849
Total - Special Education_Preschool Grants				-	11,224	-	11,849
Total - Special Education Cluster (IDEA)				-	358,137	-	398,957
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	S010A140014	-	72,470	-	-
			S010A150014	-	222,831	-	42,916
			S010A160014	-	-	-	200,595
Total - Title I Grants to Local Educational Agencies				-	295,301	-	243,511
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367	S367A140013	-	17,762	-	9,489
			S367A150013	-	18,175	-	30,994
			S367A160013	-	-	-	17,583
Total - Supporting Effective Instruction State Grants				-	35,937	-	58,066
Total - Department of Education				-	689,375	-	700,534
<u>Department of Health and Human Services</u>							
Medicaid Cluster							
Medical Assistance Program	Indiana Department of Education	93.778	FY 15-16, FY 16-17	-	53,528	-	96,269
Total - Medicaid Cluster				-	53,528	-	96,269
Total - Department of Health and Human Services				-	53,528	-	96,269
Total federal awards expended				\$ -	\$ 1,256,884	-	\$ 1,334,636

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 (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2016 and 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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 weakness identified?	no
Significant deficiency identified?	yes
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Qualified

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

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2017-001

Subject: Financial Transactions and Reporting
Audit Finding: Significant Deficiency

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2015-001.

Condition

There were deficiencies in the internal control system of the School Corporation related to financial transactions and reporting of receipts, disbursements, and federal expenditures on the Schedule of Expenditures of Federal Awards (SEFA).

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Receipts

The School Corporation did not have controls in place to ensure that collections were receipted and recorded at the time of the transaction.

Disbursements

The School Corporation did not have controls in place to ensure that transfers between funds were properly recorded in the records as receipts and disbursements.

SEFA

The School Corporation failed to properly document a review of the federal grant information prepared and reported in the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source for the SEFA. One employee prepared the grant information for the federal awards and submitted it in Gateway without a documented review.

Context

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

Criteria

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

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

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

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

Cause

Management of the School Corporation had not established a proper system of internal control over financial transactions and reporting of receipts, disbursements, and federal expenditures.

Effect

The failure to establish and properly implement controls could have enabled material misstatements or irregularities to remain undetected.

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation establish a system of internal controls related to financial transactions and reporting of receipts, disbursements, and federal expenditures.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-002

Subject: Child Nutrition Cluster - Internal Controls

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Cash Management, Eligibility, Reporting, Special Tests and Provisions -
Verification of Free and Reduced Price Applications (NSLP), Special
Tests and Provisions - Paid Lunch Equity

Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Cash Management, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity.

Cash Management (School Breakfast Program and National School Lunch Program only)

The School Corporation had not designed or implemented adequate internal controls to ensure that the School Lunch fund monthly cash balances (net cash resources) were limited to three months average expenditures in compliance with cash management requirements. There was no oversight or review of the calculations or monitoring of the cash balances.

Eligibility (School Breakfast Program and National School Lunch Program only)

The School Corporation did not have documented controls in place to ensure that students' eligibility statuses entered into the computer software were tested, verified, and reviewed. One individual determined eligibility without a documented review.

Reporting

The School Corporation had not designed or implemented adequate internal controls to ensure that required reports were complete and accurate prior to submission. One employee prepared and submitted the following reports without any documented oversight, review, or approval: the Annual Financial Report, the Sponsor Claim Summary Report, and the School Food Authority (SFA) Verification Collection Report.

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP) (School Breakfast Program and National School Lunch Program only)

The School Corporation had not designed or implemented adequate internal controls to ensure that verifications of free and reduced price applications and any necessary changes to students' eligibility statuses were accurate. One employee performed the verification of applications and entered the changes to student accounts without evidence of oversight or review.

Special Tests and Provisions - Paid Lunch Equity (National School Lunch Program only)

The School Corporation had not implemented adequately documented internal controls to ensure the accuracy of the paid lunch equity calculation. Two employees performed the paid lunch equity calculations using the online calculator tool; however, the calculations and subsequent review were not documented.

Context

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

The School Corporation's management had not implemented an adequate system of internal controls that would ensure compliance with the compliance requirements listed above.

Effect

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

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish effective internal controls to ensure compliance with the grant agreement and the Cash Management, Eligibility, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Views of Responsible Officials

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

FINDING 2017-003

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles, Program Income

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirements: Allowable Costs/Cost Principles, Program Income

Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Costs Principles and Program Income compliance requirements.

Allowable Costs/Cost Principles

The School Corporation had not designed or implemented adequate internal controls to ensure that payroll disbursements were only for food service operating costs, that the supporting documentation agreed with the payroll disbursements recorded as food service operating costs, that the calculation of indirect costs charged to the program were accurate, and that program income was deducted from allowable costs to determine net allowable costs of the programs.

Based upon the payroll operating costs tested, the School Corporation included percentages and rates of administrative and custodial salaries and wages as food service operating costs in the School Lunch fund. This compensation, which was not supported by time cards which related to food service operations, totaled \$1,734. When projected to the population as a whole, additional likely errors of \$24,119 were identified.

There were disbursements which were posted to the wrong account and object code, from which the indirect costs were based for the 2015-2016 and 2016-2017 school years.

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Disbursements which totaled \$1,655 were incorrectly recorded in the 2013-2014 school year from which the 2015-2016 school year indirect cost rate was derived. Disbursements which totaled \$4,250 were incorrectly recorded in the 2014-2015 school year from which the 2016-2017 school year indirect cost rate was derived.

Program Income

The School Corporation had not designed or implemented adequate internal controls to ensure that program income was properly accounted for. There were no controls to ensure that meal sales amounts collected, deposited, and receipted agreed to the number of paid meals served to ensure that program income was accurate.

For all months tested, the program income amounts posted to the ledger did not agree to the Sales and Participation Report that detailed the number of meals served and total sales.

In addition, program income was added to the program budget rather than being deducted from total allowable costs to determine the net allowable costs.

Context

The ineffectiveness of controls and the noncompliance were systemic issues throughout the audit period.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

OMB Circular A-87, Attachment B, Section 8(h), states in part:

"Support of salaries and wages. These standards regarding time distribution are in addition to the standards for payroll documentation. . . ."

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:
- (a) More than one Federal award,
 - (b) A Federal award and a non-Federal award,
 - (c) An indirect cost activity and a direct cost activity,
 - (d) Two or more indirect activities which are allocated using different allocation bases, or
 - (e) An unallowable activity and a direct or indirect cost activity. . . ."

OMB Circular A-87, Attachment A, Part C states in part:

- "1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
- a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
 - b. Be allocable to Federal awards under the provisions of this Circular. . . ."

2 CFR 200.403 states in part:

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

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .
- (g) Be adequately documented. . . ."

2 CFR 200.404 states in part:

"A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when the non-Federal entity is predominantly federally-funded. In determining reasonableness of a given cost, consideration must be given to:

- (a) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award. . . ."

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

OMB Circular A-87, Attachment E, part C and 2 CFR 200, Appendix VII, part C states in part:

"1. General.

(a) Where a governmental unit's department or agency has only one major function, or where all its major functions benefit from the indirect costs to approximately the same degree, the allocation of indirect costs and the computation of an indirect cost rate may be accomplished through simplified allocation procedures as described in subsection 2.

(b) Where a governmental unit's department or agency has several major functions which benefit from its indirect costs in varying degrees, the allocation of indirect costs may require the accumulation of such costs into separate cost groupings which then are allocated individually to benefitted functions by means of a base which best measures the relative degree of benefit. The indirect costs allocated to each function are then distributed to individual awards and other activities included in that function by means of an indirect cost rate(s).

(c) Specific methods for allocating indirect costs and computing indirect cost rates along with the conditions under which each method should be used are described in subsections 2, 3 and 4. . . ."

2 CFR 200.416 states in part:

". . . (b) Individual operating agencies (governmental department or agency), normally charge Federal awards for indirect costs through an indirect cost rate. A separate indirect cost rate(s) proposal for each operating agency is usually necessary to claim indirect costs under Federal awards. Indirect costs include:

- (1) The indirect costs originating in each department or agency of the governmental unit carrying out Federal awards and
- (2) The costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

(c) The requirements for development and submission of cost allocation plans (for central service costs and public assistance programs) and indirect cost rate proposals are contained in appendices IV, V and VI to this part."

7 CFR 210.2 states in part:

". . . *Nonprofit school food service* means all food service operations conducted by the school food authority principally for the benefit of schoolchildren, all of the revenue from which is used solely for the operation or improvement of such food services. . . ."

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

7 CFR 210.14(a) states:

"*Nonprofit school food service.* School food authorities shall maintain a nonprofit school food service. Revenues received by the nonprofit school food service are to be used only for the operation or improvement of such food service, *except that*, such revenues shall not be used to purchase land or buildings, unless otherwise approved by FNS, or to construct buildings. Expenditures of nonprofit school food service revenues shall be in accordance with the financial management system established by the State agency under § 210.19(a) of this part. School food authorities may use facilities, equipment, and personnel supported with nonprofit school food revenues to support a nonprofit nutrition program for the elderly, including a program funded under the Older Americans Act of 1965 (42 U.S.C. 3001 *et seq.*)"

7 CFR 220.2 states in part:

". . . Nonprofit school food service means all food service operations conducted by the School Food Authority principally for the benefit of school children, all of the revenue from which is used solely for the operation or improvement of such food service. . . ."

7 CFR 220.13(i) states:

"Each State agency, or FNS where applicable, shall establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. The system shall prescribe the allowability of nonprofit school food service expenditures in accordance with this part and 7 CFR part 3015, and 7 CFR part 3016 or 7 CFR part 3019, as applicable. The system shall permit determination of school food service net cash resources, and shall include any criteria for approval of net cash resources in excess of three months average expenditures. In addition, School Food Authorities shall be required to account separately for other food services which are operated by the School Food Authority."

2 CFR 200.307 states in part: . . .

"(e) *Use of program income.* If the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award, or give prior approval for how program income is to be used, paragraph (e)(1) of this section must apply. For Federal awards made to IHEs and nonprofit research institutions, if the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award how program income is to be used, paragraph (e)(2) of this section must apply. In specifying alternatives to paragraphs (e)(1) and (2) of this section, the Federal awarding agency may distinguish between income earned by the recipient and income earned by subrecipients and between the sources, kinds, or amounts of income. When the Federal awarding agency authorizes the approaches in paragraphs (e)(2) and (3) of this section, program income in excess of any amounts specified must also be deducted from expenditures.

- (1) *Deduction.* Ordinarily program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the non-Federal entity did not anticipate at the time of the Federal award must be used to reduce the Federal award and non-Federal entity contributions rather than to increase the funds committed to the project. . . ."

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

The School Corporation's management had not designed or implemented internal controls which would have ensured compliance with the Allowable Costs/Cost Principles and Program Income compliance requirements of the programs.

Effect

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

Questioned Costs

Known questioned costs of \$1,734 were identified as detailed in the *Condition*.

Recommendation

We recommended that the School Corporation establish effective controls to ensure compliance and comply with the Allowable Costs/Cost Principles and Program Income compliance requirements.

Views of Responsible Officials

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

FINDING 2017-004

Subject: Child Nutrition Cluster - Procurement

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 15-16, FY 16-17

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with the grant agreement and the procurement requirements of the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not have internal controls in place to ensure that the purchasing methods used complied with 2 CFR 200.320.

The School Corporation did not comply with the procurement requirements. The School Corporation did not obtain quotes for purchases of produce or maintenance services exceeding \$3,500, which fell under the small purchases procurement requirement.

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

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

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.320 states in part:

"The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micropurchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

JOHN GLENN SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
 - (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
- (2) If sealed bids are used, the following requirements apply:
- (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for local, and tribal governments, the invitation for bids must be publicly advertised;
 - (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
 - (iii) All bids will be opened at the time and place prescribed in the invitation forbids, and for local and tribal governments, the bids must be opened publicly;
 - (iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
 - (v) Any or all bids may be rejected if there is a sound documented reason. . . ."

Cause

The School Corporation's management had not established controls which would have ensured compliance with the grant agreement and the procurement requirements.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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

John Glenn School Corporation

101 John Glenn Drive, Walkerton, IN 46574
Phone: (574) 586-3129 Fax: (574) 586-2660
www.jgsc.k12.in.us

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: 2015

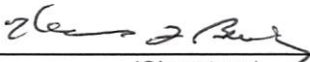
Contact Person Responsible for Corrective Action: Thomas L. Bendy, Treasurer

Contact Phone Number: 574-586-3129

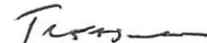
Status of Audit Finding:

There were deficiencies in the internal control system related to financial transactions and reporting that were considered weaknesses.

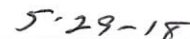
1. Lack of Segregation of Duties: The corporation had not separated activities related to collecting, issuing, depositing, and recording receipts. The corporation revised its internal receipt process to include the secretary, administrative assistant, deputy treasurer, and treasurer in the receipt process. This was completed after the audit exit conference on May 16, 2016.
2. Monitoring of Controls: An evaluation of the School Corporation's system of internal control had not been conducted. The Board passed a resolution to adopt internal controls on June 21, 2016. Evaluation and training of the internal processes has been ongoing since that date.
3. The corporation did not have a proper system of internal control for the Schedule of Expenditures of Federal Awards (SEFA). The corporation had one person responsible for preparing the SEFA without documented review. The corporation treasurer continues to be responsible to prepare the SEFA, and the control for documented review is still in progress as of the date of this response.



(Signature)



(Title)



(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-002

Fiscal year in which the finding initially occurred: 2015

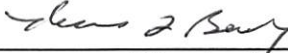
Pass-Through Entity: Indiana Department of Education

Contact Person Responsible for Corrective Action: Thomas L. Bendy, Treasurer

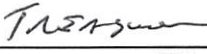
Contact Phone Number: 574-586-3129

Status of Audit Finding:


The John Glenn School Corporation acknowledged it did not review the SAM website for a purchase made with federal funds over \$25,000 to review whether the vendor had not been suspended or debarred from participating in a transaction covered under the Federal Acquisition Regulation. The Board of School Trustees updated its federal purchasing policy on May 17, 2016 to include a review for any contracts over \$25,000 to confirm that the vendor is not debarred or suspended.



(Signature)



(Title)



(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)

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CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Thomas L. Bendy
Contact Phone Number: 574-586-3129

Views of Responsible Official: We concur with this finding.

Description of Corrective Action Plan:

Receipts: Collections received at the corporation office will be receipted and recorded at the time of the transaction. Collections received and deposited by the building level treasurer for the corporation's books will be recorded after they have been reviewed by the Head ECA Treasurer for accuracy and sent to the corporation office for the Treasurer's review.


Disbursements: When recording prepaid lunch transfers at the end of the month, a check will be issued by the Deputy Treasurer and then receipted and deposited back into the corporation account by the Treasurer.

SEFA: The Treasurer will have the Deputy Treasurer review the SEFA prior to submission into Gateway.

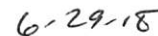
Anticipated Completion Date: July 2018



(Signature)



(Title)



(Date)

John Glenn School Corporation

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CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person Responsible for Corrective Action: Thomas L. Bendy
Contact Phone Number: 574-586-3129

Views of Responsible Official: We concur with this finding.

Description of Corrective Action Plan:

Cash Management: The Treasurer and Deputy Treasurer will review the School Lunch fund balance as part of the monthly School Lunch reports prepared. The corporation will review methods on bringing a high balance into compliance.


Eligibility: Applications are approved in the buildings and reviewed in the corporation office. The Administrative Assistant will randomly sample at least five applications for each building.

Reporting: The Annual Financial Report, Sponsor Claim Summary Report, and School Food Authority Verification Collection Report will be prepared in the corporation office and reviewed by the Food Service Director.

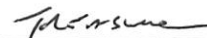
Special Tests – Verification of Free and Reduced Applications: The mandatory verification of applications will be done at the corporation office. Necessary changes to student's eligibility status will be sent to the Food Service Director, who will change the status in the student accounts. The changes the Food Service Director makes will be verified by the building level treasurers.

Special Tests – Paid Lunch Equity: The calculations and review of the PLE will be documented.

Anticipated Completion Date: July 2018



(Signature)



(Title)



(Date)

John Glenn School Corporation

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CORRECTIVE ACTION PLAN

FINDING 2017-003

Contact Person Responsible for Corrective Action: Thomas L. Bendy

Contact Phone Number: 574-586-3129

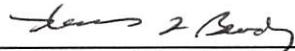
Views of Responsible Official: We concur with this finding.

Description of Corrective Action Plan:


Allowable Costs / Cost Principles: The corporation will no longer pay any Administrative or Custodial Salaries or Wages out of the School Lunch Fund.

Program Income: The Treasurer will review with the Food Service Director the internal controls for all components of the food service program, including the reporting of sales and participation, collections, deposits, account adjustments, and receipt processes.


Anticipated Completion Date: August 2018



(Signature)



(Title)



(Date)

John Glenn School Corporation

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CORRECTIVE ACTION PLAN

FINDING 2017-004

Contact Person Responsible for Corrective Action: Thomas L. Bendy
Contact Phone Number: 574-586-3129

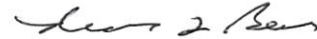
Views of Responsible Official: We concur with this finding.

Description of Corrective Action Plan:

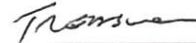
The NIESC school lunch bid awards will be approved by the School Board of Trustees.

The Food Service Director and Building Director will be responsible for purchasing produce or maintenance services in the corporation outside of the approved bids from NIESC. When required, they will receive quotes for any purchase that exceeds the \$3,500 threshold for small procurement requirements.

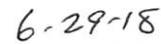
Anticipated Completion Date: July 2018



(Signature)



(Title)



(Date)

OTHER REPORTS

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