

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TURKEY RUN COMMUNITY SCHOOL CORPORATION
PARKE COUNTY, INDIANA

July 1, 2009 to June 30, 2011



FILED

02/02/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sally Wimmer Burgess	07-01-09 to 06-30-12
Superintendent of Schools	Dr. Thomas W. Rohr	07-01-09 to 06-30-12
President of the School Board	Greg P. Harvey	07-01-09 to 06-30-12



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

TO: THE OFFICIALS OF THE TURKEY RUN COMMUNITY
SCHOOL CORPORATION, PARKE COUNTY, INDIANA

We have audited the accompanying financial statement of the Turkey Run Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011. The financial statement is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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 noted above is a different basis than that used in the prior year.

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 years ended June 30, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated December 20, 2011, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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 and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedules of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt 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.

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

STATE BOARD OF ACCOUNTS

December 20, 2011



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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 TURKEY RUN COMMUNITY
SCHOOL CORPORATION, PARKE COUNTY, INDIANA

We have audited the financial statement of the Turkey Run Community School Corporation (School Corporation), for the years ended June 30, 2010 and 2011, and have issued our report thereon dated December 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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.

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

STATE BOARD OF ACCOUNTS

December 20, 2011

FINANCIAL STATEMENT

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

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TURKEY RUN COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2010 and 2011

	Cash and Investments 07-01-09	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-10	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-11
General	\$ 1,021,290	\$ 4,138,240	\$ 3,558,092	\$ 144,040	\$ 1,745,478	\$ 3,989,330	\$ 3,945,622	\$ -	\$ 1,789,186
Debt Service	141,704	782,026	564,500	4,452	363,682	570,557	564,500	7,775	377,514
Capital Projects	672,374	839,728	555,220	(13,480)	943,402	587,735	572,405	(8,547)	950,185
School Transportation	16,653	663,245	529,886	5,133	155,145	501,486	469,941	9,364	196,054
School Bus Replacement	75,704	90,848	51,303	1,320	116,569	62,482	70,765	382	108,668
Special Education Preschool	121,245	13,750	10,039	(124,956)	-	-	-	-	-
Rainy Day	-	-	-	20,000	20,000	-	-	20,000	40,000
School Lunch	55,886	259,264	253,573	-	61,577	253,371	240,511	-	74,437
Textbook Rental	16,341	47,373	39,857	1,916	25,773	44,793	52,076	3,428	21,918
Levy Excess	35,012	23,168	-	(35,012)	23,168	8,350	-	(23,168)	8,350
Educational License Plates	3,056	113	-	-	3,169	75	-	-	3,244
Temple-Inland Donation Fund	-	-	-	-	-	1,499	1,454	-	45
Duke-Academic Banquet Donation	-	-	-	-	-	1,030	798	-	232
Central IN Tennis Assn Grant	93	-	93	-	-	-	-	-	-
Martin Drug Prevention Grant	3,121	-	432	-	2,689	-	200	-	2,489
Premier Boxboard Donation	1,034	-	1,000	-	34	-	-	-	34
PATS Literacy Mini-Grant	500	500	1,000	-	-	500	254	-	246
East Asian Literature Grant	83	-	62	-	21	-	21	-	-
Employee Wellness Grant	784	4,107	2,921	-	1,970	1,809	2,007	-	1,772
Dugdale Grant	-	198,794	102,195	-	96,599	35,501	47,628	-	84,472
Athletic Complex Fund	4,975	955	2,800	-	3,130	-	108	-	3,022
Parke Co Comm Foundation Grant	4,648	-	992	-	3,656	-	1,334	-	2,322
Trophy Case Fund	-	-	-	-	-	7,969	7,969	-	-
Athletic Banner Fund	634	-	-	-	634	-	-	-	634
PCCF Attendance Incent Grant	200	-	-	-	200	1,000	175	-	1,025
Instruction Support	2,576	27,684	27,303	-	2,957	27,531	27,217	-	3,271
School Technology	25,816	16,076	20,512	-	21,380	12,616	16,595	-	17,401
Vision Athena Grant/Dist. Learn	1,131	-	-	-	1,131	-	-	-	1,131
Excess PTRC Distributions	-	9,234	-	-	9,234	-	-	(9,234)	-
Unification Study Grant	1,492	-	-	-	1,492	-	-	-	1,492
Title I 2008-2009	33,607	22,331	49,860	(6,078)	-	-	-	-	-
Title I 2009-2010	-	278,637	237,020	6,078	47,695	25,103	72,798	-	-
Title I 2010-2011	-	-	-	-	-	213,184	234,440	-	(21,256)
Title V - Innovative Prog 07/08	470	-	470	-	-	-	-	-	-
IDEA Part B - Pass Thru	16,030	147,860	163,152	-	738	134,245	145,207	-	(10,224)
Federal Assistance Educational Preschool Handicapped	-	8,712	9,034	-	(322)	9,560	9,503	-	(265)
Title IV 08/09 Safe/Drug Free	2,345	-	2,345	-	-	-	-	-	-
Title IV 09/10 Safe/Drug Free	-	4,404	3,091	-	1,313	-	1,313	-	-
Title IV 07/08 Safe/Drug Free	868	-	868	-	-	-	-	-	-
Medicaid Reimbursement - Federal	125	-	-	-	125	-	-	-	125
IN School Wellness Grant	50	-	-	-	50	-	-	-	50
Improving Teaching Quality, No Child Left, Title II, Part A	17,576	34,918	39,802	-	12,692	25,145	40,584	-	(2,747)
ITQ, Enhanced Education Through Technology, Title II, Part D	11,892	21,581	21,114	-	12,359	-	12,359	-	-
ARRA - Fiscal Stabilization - Education	352,197	116,222	468,419	-	-	-	-	-	-
ARRA - Title I - Grants to LEAs	-	170,846	151,430	-	19,416	34,897	61,483	-	(7,170)
ARRA - Special Education - Part B	-	92,197	102,070	-	(9,873)	27,490	17,777	-	(160)
ARRA - Special Education - Part B - Preschool	-	5,383	4,315	-	1,068	-	-	-	1,068
ARRA - School Lunch Equipment	-	-	-	-	-	40,200	38,327	-	1,873
Totals	\$ 2,641,512	\$ 8,018,196	\$ 6,974,770	\$ 3,413	\$ 3,688,351	\$ 6,617,458	\$ 6,655,371	\$ -	\$ 3,650,438

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

TURKEY RUN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The accompanying financial statement presents the financial information for the School Corporation (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the 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 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 which include taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, school corporation activities, revenue from community services activities, and other revenue from local sources.

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

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

TURKEY RUN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Temporary loans which include money received from a loan obtained to pay current expenses prior to the receipt of revenue from taxes levied for that purpose. These loans, sometimes designated tax anticipation warrants, must be repaid from the next semiannual distribution of local property taxes levied for such fund.

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

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

E. Disbursements

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

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

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

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

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

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

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

Interfund loans which include money temporarily transferred from one fund to a depleted fund for use in paying current operating expenses. Such advancement shall not be made for a period extending beyond the budget year.

TURKEY RUN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

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:

Proceeds of long-term debt which includes money received in relation to the issuance of bonds or other long-term debt issues.

Sale of capital assets which includes money received when land, buildings, or equipment owned by the School Corporation is sold.

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

TURKEY RUN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

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. These risks may also be mitigated by the School Corporation by recording as a disbursement and replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

TURKEY RUN COMMUNITY SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

TURKEY RUN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,021,290	\$ 141,704	\$ 672,374	\$ 16,653	\$ 75,704	\$ 121,245	\$ -	\$ 55,886	\$ 16,341
Receipts:									
Local sources	52,340	782,026	785,512	653,820	90,848	-	-	89,366	32,331
Intermediate sources	202	-	-	-	-	-	-	-	-
State sources	4,049,676	-	-	-	-	13,750	-	2,041	15,042
Federal sources	-	-	-	-	-	-	-	167,857	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	50,000	-	-	-	-	-	-
Other	36,022	-	4,216	9,425	-	-	-	-	-
Total receipts	<u>4,138,240</u>	<u>782,026</u>	<u>839,728</u>	<u>663,245</u>	<u>90,848</u>	<u>13,750</u>	<u>-</u>	<u>259,264</u>	<u>47,373</u>
Disbursements:									
Current:									
Instruction	2,246,428	-	-	-	-	4,884	-	-	-
Support services	1,237,755	-	355,823	479,886	51,303	-	-	-	39,857
Noninstructional services	73,909	-	-	-	-	-	-	253,573	-
Facilities acquisition and construction	-	-	199,397	-	-	-	-	-	-
Debt services	-	564,500	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	5,155	-	-	-
Interfund loans	-	-	-	50,000	-	-	-	-	-
Total disbursements	<u>3,558,092</u>	<u>564,500</u>	<u>555,220</u>	<u>529,886</u>	<u>51,303</u>	<u>10,039</u>	<u>-</u>	<u>253,573</u>	<u>39,857</u>
Excess (deficiency) of receipts over disbursements	<u>580,148</u>	<u>217,526</u>	<u>284,508</u>	<u>133,359</u>	<u>39,545</u>	<u>3,711</u>	<u>-</u>	<u>5,691</u>	<u>7,516</u>
Other financing sources (uses):									
Sale of capital assets	2,892	-	-	-	521	-	-	-	-
Transfers in	141,148	6,368	6,520	5,133	799	-	20,000	-	1,916
Transfers out	-	(1,916)	(20,000)	-	-	(124,956)	-	-	-
Total other financing sources (uses)	<u>144,040</u>	<u>4,452</u>	<u>(13,480)</u>	<u>5,133</u>	<u>1,320</u>	<u>(124,956)</u>	<u>20,000</u>	<u>-</u>	<u>1,916</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>724,188</u>	<u>221,978</u>	<u>271,028</u>	<u>138,492</u>	<u>40,865</u>	<u>(121,245)</u>	<u>20,000</u>	<u>5,691</u>	<u>9,432</u>
Cash and investments - ending	<u>\$ 1,745,478</u>	<u>\$ 363,682</u>	<u>\$ 943,402</u>	<u>\$ 155,145</u>	<u>\$ 116,569</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 61,577</u>	<u>\$ 25,773</u>

TURKEY RUN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Levy Excess	Educational License Plates	Temple-Inland Donation Fund	Duke-Academic Banquet Donation	Central IN Tennis Assn Grant	Martin Drug Prevention Grant	Premier Boxboard Donation	PATS Literacy Mini-Grant
Cash and investments - beginning	\$ 35,012	\$ 3,056	\$ -	\$ -	\$ 93	\$ 3,121	\$ 1,034	\$ 500
Receipts:								
Local sources	23,168	-	-	-	-	-	-	500
Intermediate sources	-	113	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>23,168</u>	<u>113</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Disbursements:								
Current:								
Instruction	-	-	-	-	93	-	1,000	1,000
Support services	-	-	-	-	-	432	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>432</u>	<u>1,000</u>	<u>1,000</u>
Excess (deficiency) of receipts over disbursements	<u>23,168</u>	<u>113</u>	<u>-</u>	<u>-</u>	<u>(93)</u>	<u>(432)</u>	<u>(1,000)</u>	<u>(500)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<u>(35,012)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(35,012)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(11,844)</u>	<u>113</u>	<u>-</u>	<u>-</u>	<u>(93)</u>	<u>(432)</u>	<u>(1,000)</u>	<u>(500)</u>
Cash and investments - ending	<u>\$ 23,168</u>	<u>\$ 3,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,689</u>	<u>\$ 34</u>	<u>\$ -</u>

TURKEY RUN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	<u>East Asian Literature Grant</u>	<u>Employee Wellness Grant</u>	<u>Dugdale Grant</u>	<u>Athletic Complex Fund</u>	<u>Parke Co Comm Foundation Grant</u>	<u>Trophy Case Fund</u>	<u>Athletic Banner Fund</u>	<u>PCCF Attendance Incent Grant</u>
Cash and investments - beginning	\$ 83	\$ 784	\$ -	\$ 4,975	\$ 4,648	\$ -	\$ 634	\$ 200
Receipts:								
Local sources	-	4,090	198,794	955	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	17	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>4,107</u>	<u>198,794</u>	<u>955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	62	-	70,458	-	992	-	-	-
Support services	-	2,921	31,737	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	2,800	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>62</u>	<u>2,921</u>	<u>102,195</u>	<u>2,800</u>	<u>992</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(62)</u>	<u>1,186</u>	<u>96,599</u>	<u>(1,845)</u>	<u>(992)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(62)</u>	<u>1,186</u>	<u>96,599</u>	<u>(1,845)</u>	<u>(992)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 21</u>	<u>\$ 1,970</u>	<u>\$ 96,599</u>	<u>\$ 3,130</u>	<u>\$ 3,656</u>	<u>\$ -</u>	<u>\$ 634</u>	<u>\$ 200</u>

TURKEY RUN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Instruction Support	School Technology	Vision Athena Grant/Dist Learn	Excess PTRC Distributions	Unification Study Grant	Title I 2008-2009	Title I 2009-2010	Title I 2010-2011
Cash and investments - beginning	\$ 2,576	\$ 25,816	\$ 1,131	\$ -	\$ 1,492	\$ 33,607	\$ -	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	27,684	15,626	-	9,234	-	-	-	-
Federal sources	-	-	-	-	-	22,331	278,637	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	450	-	-	-	-	-	-
Total receipts	<u>27,684</u>	<u>16,076</u>	<u>-</u>	<u>9,234</u>	<u>-</u>	<u>22,331</u>	<u>278,637</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	5,008	-	-	-	-	45,582	217,151	-
Support services	22,295	20,512	-	-	-	4,278	15,565	-
Noninstructional services	-	-	-	-	-	-	4,304	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>27,303</u>	<u>20,512</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,860</u>	<u>237,020</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>381</u>	<u>(4,436)</u>	<u>-</u>	<u>9,234</u>	<u>-</u>	<u>(27,529)</u>	<u>41,617</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	6,078	-
Transfers out	-	-	-	-	-	(6,078)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,078)</u>	<u>6,078</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>381</u>	<u>(4,436)</u>	<u>-</u>	<u>9,234</u>	<u>-</u>	<u>(33,607)</u>	<u>47,695</u>	<u>-</u>
Cash and investments - ending	<u>\$ 2,957</u>	<u>\$ 21,380</u>	<u>\$ 1,131</u>	<u>\$ 9,234</u>	<u>\$ 1,492</u>	<u>\$ -</u>	<u>\$ 47,695</u>	<u>\$ -</u>

TURKEY RUN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Title V - Innovative Prog 07-08	IDEA Part B - Pass Thru	Federal Assistance Educational Preschool Handicapped	Title IV 08/09 Safe/Drug Free	Title IV 09/10 Safe/Drug Free	Title IV 07/08 Safe/Drug Free	Medicaid Reimbursement - Federal	IN School Wellness Grant
Cash and investments - beginning	\$ 470	\$ 16,030	\$ -	\$ 2,345	\$ -	\$ 868	\$ 125	\$ 50
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	147,860	8,712	-	4,404	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>147,860</u>	<u>8,712</u>	<u>-</u>	<u>4,404</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:								
Current:								
Instruction	-	145,052	2,596	1,601	1,100	753	-	-
Support services	417	600	-	744	1,991	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	53	17,500	6,438	-	-	115	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>470</u>	<u>163,152</u>	<u>9,034</u>	<u>2,345</u>	<u>3,091</u>	<u>868</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(470)</u>	<u>(15,292)</u>	<u>(322)</u>	<u>(2,345)</u>	<u>1,313</u>	<u>(868)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(470)</u>	<u>(15,292)</u>	<u>(322)</u>	<u>(2,345)</u>	<u>1,313</u>	<u>(868)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 738</u>	<u>\$ (322)</u>	<u>\$ -</u>	<u>\$ 1,313</u>	<u>\$ -</u>	<u>\$ 125</u>	<u>\$ 50</u>

TURKEY RUN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2010
 (Continued)

	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	ARRA - Fiscal Stabilization - Education	ARRA - Title I - Grants to LEAs	ARRA - Special Education - Part B	ARRA - Special Education - Part B - Preschool	ARRA - School Lunch Equipment	Totals
Cash and investments - beginning	\$ 17,576	\$ 11,892	\$ 352,197	\$ -	\$ -	\$ -	\$ -	\$ 2,641,512
Receipts:								
Local sources	-	-	-	-	-	-	-	2,713,750
Intermediate sources	-	-	-	-	-	-	-	315
State sources	-	-	-	-	-	-	-	4,133,053
Federal sources	34,898	21,581	116,222	170,846	92,197	5,383	-	1,070,928
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	50,000
Other	20	-	-	-	-	-	-	50,150
Total receipts	<u>34,918</u>	<u>21,581</u>	<u>116,222</u>	<u>170,846</u>	<u>92,197</u>	<u>5,383</u>	<u>-</u>	<u>8,018,196</u>
Disbursements:								
Current:								
Instruction	24,263	-	322,326	132,287	102,070	4,315	-	3,329,021
Support services	12,881	17,534	141,245	18,141	-	-	-	2,455,917
Noninstructional services	-	-	4,848	1,002	-	-	-	337,636
Facilities acquisition and construction	-	-	-	-	-	-	-	202,197
Debt services	-	-	-	-	-	-	-	564,500
Nonprogrammed charges	2,658	3,580	-	-	-	-	-	35,499
Interfund loans	-	-	-	-	-	-	-	50,000
Total disbursements	<u>39,802</u>	<u>21,114</u>	<u>468,419</u>	<u>151,430</u>	<u>102,070</u>	<u>4,315</u>	<u>-</u>	<u>6,974,770</u>
Excess (deficiency) of receipts over disbursements	<u>(4,884)</u>	<u>467</u>	<u>(352,197)</u>	<u>19,416</u>	<u>(9,873)</u>	<u>1,068</u>	<u>-</u>	<u>1,043,426</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	3,413
Transfers in	-	-	-	-	-	-	-	187,962
Transfers out	-	-	-	-	-	-	-	(187,962)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,413</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(4,884)</u>	<u>467</u>	<u>(352,197)</u>	<u>19,416</u>	<u>(9,873)</u>	<u>1,068</u>	<u>-</u>	<u>1,046,839</u>
Cash and investments - ending	<u>\$ 12,692</u>	<u>\$ 12,359</u>	<u>\$ -</u>	<u>\$ 19,416</u>	<u>\$ (9,873)</u>	<u>\$ 1,068</u>	<u>\$ -</u>	<u>\$ 3,688,351</u>

TURKEY RUN COMMUNITY SCHOOL CORPORATION
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	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental
Cash and investments - beginning	\$ 1,745,478	\$ 363,682	\$ 943,402	\$ 155,145	\$ 116,569	\$ -	\$ 20,000	\$ 61,577	\$ 25,773
Receipts:									
Local sources	28,318	570,557	584,784	493,288	62,482	-	-	87,756	31,727
Intermediate sources	606	-	-	-	-	-	-	-	-
State sources	3,921,569	-	-	-	-	-	-	1,862	13,066
Federal sources	-	-	-	-	-	-	-	163,753	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	38,837	-	2,951	8,198	-	-	-	-	-
Total receipts	<u>3,989,330</u>	<u>570,557</u>	<u>587,735</u>	<u>501,486</u>	<u>62,482</u>	<u>-</u>	<u>-</u>	<u>253,371</u>	<u>44,793</u>
Disbursements:									
Current:									
Instruction	2,543,830	-	-	-	-	-	-	-	-
Support services	1,315,180	-	400,094	469,941	70,765	-	-	-	52,076
Noninstructional services	86,612	-	-	-	-	-	-	240,511	-
Facilities acquisition and construction	-	-	172,311	-	-	-	-	-	-
Debt services	-	564,500	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	<u>3,945,622</u>	<u>564,500</u>	<u>572,405</u>	<u>469,941</u>	<u>70,765</u>	<u>-</u>	<u>-</u>	<u>240,511</u>	<u>52,076</u>
Excess (deficiency) of receipts over disbursements	<u>43,708</u>	<u>6,057</u>	<u>15,330</u>	<u>31,545</u>	<u>(8,283)</u>	<u>-</u>	<u>-</u>	<u>12,860</u>	<u>(7,283)</u>
Other financing sources (uses):									
Transfers in	-	11,203	11,453	9,364	382	-	20,000	-	3,428
Transfers out	-	(3,428)	(20,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>7,775</u>	<u>(8,547)</u>	<u>9,364</u>	<u>382</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>3,428</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>43,708</u>	<u>13,832</u>	<u>6,783</u>	<u>40,909</u>	<u>(7,901)</u>	<u>-</u>	<u>20,000</u>	<u>12,860</u>	<u>(3,855)</u>
Cash and investments - ending	<u>\$ 1,789,186</u>	<u>\$ 377,514</u>	<u>\$ 950,185</u>	<u>\$ 196,054</u>	<u>\$ 108,668</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 74,437</u>	<u>\$ 21,918</u>

TURKEY RUN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Levy Excess	Educational License Plates	Temple-Inland Donation Fund	Duke-Academic Banquet Donation	Central IN Tennis Assn Grant	Martin Drug Prevention Grant	Premier Boxboard Donation	PATS Literacy Mini-Grant
Cash and investments - beginning	\$ 23,168	\$ 3,169	\$ -	\$ -	\$ -	\$ 2,689	\$ 34	\$ -
Receipts:								
Local sources	8,350	-	1,499	1,030	-	-	-	500
Intermediate sources	-	75	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	<u>8,350</u>	<u>75</u>	<u>1,499</u>	<u>1,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Disbursements:								
Current:								
Instruction	-	-	1,454	798	-	-	-	254
Support services	-	-	-	-	-	200	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>1,454</u>	<u>798</u>	<u>-</u>	<u>200</u>	<u>-</u>	<u>254</u>
Excess (deficiency) of receipts over disbursements	<u>8,350</u>	<u>75</u>	<u>45</u>	<u>232</u>	<u>-</u>	<u>(200)</u>	<u>-</u>	<u>246</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<u>(23,168)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(23,168)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(14,818)</u>	<u>75</u>	<u>45</u>	<u>232</u>	<u>-</u>	<u>(200)</u>	<u>-</u>	<u>246</u>
Cash and investments - ending	<u>\$ 8,350</u>	<u>\$ 3,244</u>	<u>\$ 45</u>	<u>\$ 232</u>	<u>\$ -</u>	<u>\$ 2,489</u>	<u>\$ 34</u>	<u>\$ 246</u>

TURKEY RUN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	East Asian Literature Grant	Employee Wellness Grant	Dugdale Grant	Athletic Complex Fund	Parke Co Comm Foundation Grant	Trophy Case Fund	Athletic Banner Fund	PCCF Attendance Incent Grant
Cash and investments - beginning	\$ 21	\$ 1,970	\$ 96,599	\$ 3,130	\$ 3,656	\$ -	\$ 634	\$ 200
Receipts:								
Local sources	-	1,809	35,501	-	-	7,969	-	1,000
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	1,809	35,501	-	-	7,969	-	1,000
Disbursements:								
Current:								
Instruction	21	-	47,148	-	1,334	-	-	175
Support services	-	2,007	480	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	108	-	7,969	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	21	2,007	47,628	108	1,334	7,969	-	175
Excess (deficiency) of receipts over disbursements	(21)	(198)	(12,127)	(108)	(1,334)	-	-	825
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	(21)	(198)	(12,127)	(108)	(1,334)	-	-	825
Cash and investments - ending	\$ -	\$ 1,772	\$ 84,472	\$ 3,022	\$ 2,322	\$ -	\$ 634	\$ 1,025

TURKEY RUN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Instruction Support	School Technology	Vision Athena Grant/Dist Learn	Excess PTRC Distributions	Unification Study Grant	Title I 2008-2009	Title I 2009-2010	Title I 2010-2011
Cash and investments - beginning	\$ 2,957	\$ 21,380	\$ 1,131	\$ 9,234	\$ 1,492	\$ -	\$ 47,695	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	27,266	11,832	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	25,103	213,184
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	265	784	-	-	-	-	-	-
Total receipts	<u>27,531</u>	<u>12,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,103</u>	<u>213,184</u>
Disbursements:								
Current:								
Instruction	5,553	-	-	-	-	-	70,727	228,181
Support services	21,664	16,595	-	-	-	-	2,071	6,259
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	<u>27,217</u>	<u>16,595</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,798</u>	<u>234,440</u>
Excess (deficiency) of receipts over disbursements	<u>314</u>	<u>(3,979)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,695)</u>	<u>(21,256)</u>
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(9,234)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,234)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>314</u>	<u>(3,979)</u>	<u>-</u>	<u>(9,234)</u>	<u>-</u>	<u>-</u>	<u>(47,695)</u>	<u>(21,256)</u>
Cash and investments - ending	<u>\$ 3,271</u>	<u>\$ 17,401</u>	<u>\$ 1,131</u>	<u>\$ -</u>	<u>\$ 1,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,256)</u>

TURKEY RUN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Title V - Innovative Prog 07-08	IDEA Part B - Pass Thru	Federal Assistance Educational Preschool Handicapped	Title IV 08/09 Safe/Drug Free	Title IV 09/10 Safe/Drug Free	Title IV 07/08 Safe/Drug Free	Medicaid Reimbursement - Federal	IN School Wellness Grant
Cash and investments - beginning	\$ -	\$ 738	\$ (322)	\$ -	\$ 1,313	\$ -	\$ 125	\$ 50
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	134,245	9,560	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total receipts	-	134,245	9,560	-	-	-	-	-
Disbursements:								
Current:								
Instruction	-	137,669	5,009	-	1,313	-	-	-
Support services	-	320	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	7,218	4,494	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	-	145,207	9,503	-	1,313	-	-	-
Excess (deficiency) of receipts over disbursements	-	(10,962)	57	-	(1,313)	-	-	-
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	-	(10,962)	57	-	(1,313)	-	-	-
Cash and investments - ending	\$ -	\$ (10,224)	\$ (265)	\$ -	\$ -	\$ -	\$ 125	\$ 50

TURKEY RUN COMMUNITY SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2011
 (Continued)

	Improving Teaching Quality, No Child Left, Title II, Part A	ITQ, Enhanced Education Through Technology, Title II, Part D	ARRA - Fiscal Stabilization - Education	ARRA - Title I - Grants to LEAs	ARRA - Special Education - Part B	ARRA - Special Education - Part B - Preschool	ARRA - School Lunch Equipment	Totals
Cash and investments - beginning	\$ 12,692	\$ 12,359	\$ -	\$ 19,416	\$ (9,873)	\$ 1,068	\$ -	\$ 3,688,351
Receipts:								
Local sources	-	-	-	-	-	-	-	1,916,570
Intermediate sources	-	-	-	-	-	-	-	681
State sources	-	-	-	-	-	-	-	3,975,595
Federal sources	25,145	-	-	34,874	27,490	-	40,200	673,554
Temporary loans	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-
Other	-	-	-	23	-	-	-	51,058
Total receipts	25,145	-	-	34,897	27,490	-	40,200	6,617,458
Disbursements:								
Current:								
Instruction	27,380	-	-	58,257	17,777	-	-	3,146,880
Support services	13,204	8,779	-	3,226	-	-	-	2,382,861
Noninstructional services	-	-	-	-	-	-	38,327	365,450
Facilities acquisition and construction	-	-	-	-	-	-	-	180,388
Debt services	-	-	-	-	-	-	-	564,500
Nonprogrammed charges	-	3,580	-	-	-	-	-	15,292
Interfund loans	-	-	-	-	-	-	-	-
Total disbursements	40,584	12,359	-	61,483	17,777	-	38,327	6,655,371
Excess (deficiency) of receipts over disbursements	(15,439)	(12,359)	-	(26,586)	9,713	-	1,873	(37,913)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	55,830
Transfers out	-	-	-	-	-	-	-	(55,830)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,439)	(12,359)	-	(26,586)	9,713	-	1,873	(37,913)
Cash and investments - ending	\$ (2,747)	\$ -	\$ -	\$ (7,170)	\$ (160)	\$ 1,068	\$ 1,873	\$ 3,650,438

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TURKEY RUN COMMUNITY SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Capital leases:		
2005 School Building Renovation Project	\$ 3,970,000	\$ 391,500
2003 School Building Renovation Project	<u>480,000</u>	<u>175,000</u>
Total debt	<u>\$ 4,450,000</u>	<u>\$ 566,500</u>

TURKEY RUN COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The School Corporation was not in compliance with eligibility requirements of the Child Nutrition Cluster grants. Applications for students were approved incorrectly. The computer records did not match the applications on file resulting in four students being misclassified.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

ERRORS ON CLAIMS

The following deficiency was noted on claims of the Child Nutrition Cluster grants during the audit period:

Two disbursements reviewed did not have a claim prepared. The claims were for office supplies and postage in the total amount of \$433.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the Child Nutrition Cluster grants related to financial transactions and reporting. We believe the following deficiencies constitute a material weakness:

TURKEY RUN COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks for achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances for the Child Nutrition Cluster grants. The failure to establish these controls could enable material misstatements or irregularities to go undetected.
2. Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statements and then determining how those identified risks should be managed. The School Corporation has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.
3. Monitoring of Controls: Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

INTERNAL CONTROLS - HIGH SCHOOL ECA

The controls over the financial activities of the high school extra-curricular accounts were insufficient. The Treasurer used the Principal's signature stamp with his approval, to stamp his name on checks, vouchers, and financial reports that required his signature and review. Documents were not reviewed by the Principal prior to signatures being made.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TURKEY RUN COMMUNITY
SCHOOL CORPORATION, PARKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Turkey Run Community School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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

In our opinion, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2010 and 2011. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2011-2.

Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1 to be a material weakness.

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on the response.

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

STATE BOARD OF ACCOUNTS

December 20, 2011

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

TURKEY RUN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education Child Nutrition Cluster School Breakfast Program	10.553	FY 09-10 FY 10-11	\$ 43,261 -	\$ - 25,819
Total for program			<u>43,261</u>	<u>25,819</u>
National School Lunch Program	10.555	FY 09-10 FY 10-11	119,480 -	- 117,402
Total for program			<u>119,480</u>	<u>117,402</u>
Summer Food Service Program for Children	10.559	FY 09-10 FY 10-11	4,509 -	- 3,121
Total for program			<u>4,509</u>	<u>3,121</u>
Total for cluster			<u>167,250</u>	<u>146,342</u>
ARRA - Child Nutrition Discretionary Grants Limited Availability, Recovery Act	10.579	A58-1-11SS-020	-	38,327
Total for federal grantor agency			<u>167,250</u>	<u>184,669</u>
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education Title I, Part A Cluster Title I Grants to Local Educational Agencies	84.010	SY 08-09 SY 09-10 SY 10-11	49,857 237,020 -	- 72,800 234,439
Total for program			<u>286,877</u>	<u>307,239</u>
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	10-6310 11-6310	151,430 -	- 61,483
Total for program			<u>151,430</u>	<u>61,483</u>
Total for cluster			<u>438,307</u>	<u>368,722</u>
Pass-Through Crawfordsville Community Schools Special Education Cluster Special Education - Grants to States	84.027	14209-062-PN01 14210-062-PN01	16,030 147,123	- 17,153
Pass-Through Indiana Department of Education Special Education - Grants to States	84.027	14211-062-PN01	-	128,054
Total for program			<u>163,153</u>	<u>145,207</u>

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

TURKEY RUN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2010 and 2011
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-10	Total Federal Awards Expended 06-30-11
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Crawfordsville Community Schools Special Education - Preschool Grants	84.173	45710-062-PN01	9,035	644
Pass-Through Indiana Department of Education Special Education - Preschool Grants	84.173	45711-062-PN01	-	8,858
Total for program			<u>9,035</u>	<u>9,502</u>
Pass-Through Crawfordsville Community Schools ARRA - Special Education - Grants to States, Recovery Act	84.391	33310-062-SN01	102,070	17,778
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	44410-062-SN01	4,315	-
Total for cluster			<u>278,573</u>	<u>172,487</u>
Pass-Through Indiana Department of Education Educational Technology State Grants Cluster Education Technology State Grants	84.318	S318-XO-80014	21,113	12,359
State Fiscal Stabilization Fund Cluster ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	84.394	FY 09	468,419	-
Safe and Drug-Free Schools and Communities - State Grants	84.186	6310-07 6310-08 6310-09	868 2,345 3,091	- - 1,313
Total for program			<u>6,304</u>	<u>1,313</u>
State Grants for Innovative Programs	84.298	6310-07	470	-
Improving Teacher Quality State Grants	84.367	6310-07 6310-08 6310-09 6310-10	1,485 26,611 11,708 -	- - 26,268 14,316
Total for program			<u>39,804</u>	<u>40,584</u>
Total for federal grantor agency			<u>1,252,990</u>	<u>595,465</u>
Total federal awards expended			<u>\$ 1,420,240</u>	<u>\$ 780,134</u>

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

TURKEY RUN COMMUNITY SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Turkey Run Community School Corporation (School Corporation) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except for the Child Nutrition Cluster which is received on a reimbursement basis. In this instance the federal awards are considered expended when the reimbursement is received.

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

Note 2. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2010 and 2011. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010	2011
School Breakfast Program	10.553	\$ 4,198	\$ 3,958
National School Lunch Program	10.555	11,652	10,750

TURKEY RUN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Federal Agency: U.S. Department of Agriculture
Federal Program (CFDA Title): Child Nutrition Cluster
CFDA Numbers: 10.553 and 10.555
Federal Award Number and Year: FY 09-10 and FY 10-11
Pass-Through Entity: Indiana Department of Education

We noted several deficiencies in the internal control system of the School Corporation's Child Nutrition Cluster grants related to financial transactions and reporting. We believe the following deficiencies constitute a material weakness:

1. **Lack of Segregation of Duties:** Control activities should be selected and developed at various levels of the School Corporation to reduce risks for achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts, disbursements, payroll and related liabilities, and cash and investment balances for the Child Nutrition Cluster grants. The failure to establish these controls could enable material misstatements or irregularities to go undetected.
2. **Preparing Financial Statements:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the School Corporation's audited financial statements and then determining how those identified risks should be managed. The School Corporation has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.
3. **Monitoring of Controls:** Effective internal control over financial reporting requires the School Board to monitor and assess the quality of the School Corporation's system of internal control. The School Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the School Corporation at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the School Corporation has no process to identify or communicate corrective actions to improve controls.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TURKEY RUN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2011-2 - ELIGIBILITY

Federal Agency: U.S. Department of Agriculture
Federal Program (CFDA Title): Child Nutrition Cluster
CFDA Numbers: 10.553 and 10.555
Federal Award Number and Year: FY 09-10 and FY 10-11
Pass-Through Entity: Indiana Department of Education

Applications for free and reduced school provided meals were approved incorrectly. The computer records did not match the applications on file resulting in four students being misclassified.

7 CFR 245.6(c) states in part: ". . . The local educational agency must determine household eligibility, for free or reduced price meals, either through direct certification or the application process at or about the beginning of the school year. . . ."

The School Corporation had a deficiency within its approval process for eligibility of free and reduced applications. Failure to comply with these requirements could cause the School Corporation to be ineligible to receive future federal awards.

We recommended School Corporation officials properly complete and document the approval process of each student application and maintain adequate, auditable records.

TURKEY RUN COMMUNITY SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

Turkey Run Community School Corporation

Quality Education for Every Learner

Thomas W. Rohr, Ph. D.
Superintendent

1497 E State Road 47
Marshall, IN 47859
Phone (765) 597-2750
Fax (765) 597-2755

TURKEY RUN COMMUNITY SCHOOL CORPORATION CORRECTIVE ACTION PLAN

FEDERAL FINDING 2011-1, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Federal Agency:	United States Department of Agriculture
Federal Program (CFDA Title):	Child Nutrition Cluster
CFDA Numbers:	10.553 and 10.555
Federal Award Number and Year:	FY 09-10 and FY 10-11
Contact Person:	Janet S. Lindley
Title of Contact Person:	Cafeteria Manager
Phone Number:	765-597-2744
Expected Completion Date:	December 31, 2011

Corrective Action:

LACK of SEGREGTION OF DUTIES: Cash received will be entered into each register line and accounted for after each meal by the Cashiers. Each line report will be signed by Cashier after each meal, then counted and countersigned by the Treasurer upon receiving cash. Checks received for student accounts will be entered onto a daily ledger and signed by each Cashier before being presented to the Cafeteria Manager/Treasurer for deposit at the end of the each day.

All mail received will be opened by the Assistant Manager, Chris Crum. Any money is received, it will be entered onto a daily ledger by the Assistant Manager, then presented to the Cafeteria Manager, Janet Lindley, who will verify the total, sign off on the report, then prepare the funds for deposit.

All claims for funds will be prepared by the Treasurer then presented to the Superintendent, with supporting documentation (such as invoices and payroll reports), for approval and check counter signature prior to being disbursed.

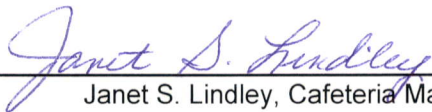
PREPARING FINANCIAL REPORTS: Financial reports submitted to the Central Office for inclusion in the corporation's Biannual Financial Report, will be accompanied by a Detailed Receipt Report and Detailed Disbursement Report and Payroll Report for the reporting period to support the amounts presented and allow for a review of the cafeteria accounts.

FEDERAL FINDING 2011-2, ELIGIBILITY

Federal Agency:	United States Department of Agriculture
Federal Program (CFDA Title):	Child Nutrition Cluster
CFDA Numbers:	10.553 and 10.555
Federal Award Number and Year:	FY 09-10 and FY 10-11
Pass-through Entity:	Indiana Department of Education
Contact Person:	Janet S. Lindley
Title of Contact Person:	Cafeteria Manager
Phone Number:	765-597-2744
Expected Completion Date:	Already Completed

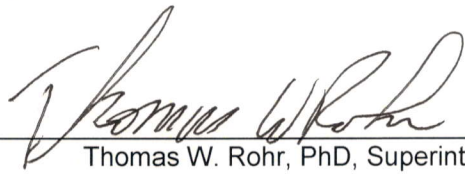
Corrective Action:

FREE & REDUCED REPORT: System has been updated by the software vendor, Harmony, for the error in their system and all applications are double checked by hand. Parents may fill out a Free & Reduced application online to reduce the chance of error in amounts entered into system. Applications are available online and at each school at the beginning of the year. Application are available throughout the year online or by requesting one from Cafeteria office, Elementary office and Jr./Sr. High School office.



Janet S. Lindley, Cafeteria Manager

12-20-2011
Date



Thomas W. Rohr, PhD, Superintendent

12-20-2011
Date

TURKEY RUN COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on December 20, 2011, with Dr. Thomas W. Rohr, Superintendent of Schools; Sally Wimmer Burgess, Treasurer; Craig Newby, High School Principal; Greg P. Harvey, President of the School Board; and Janet S. Lindley, Cafeteria Manager. The officials concurred with our audit findings.