B42386

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, 2011 to December 31, 2012

FILED
07/17/2013

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SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Sally Wimmer Burgess	07-01-11 to 12-31-12
Superintendent of Schools	Dr. Thomas R. Rohr	07-01-11 to 12-31-12
President of the School Board	Greg P. Harvey	07-01-11 to 12-31-12

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Turkey Run Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to December 31, 2012.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2011 to December 31, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 5, 2013, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports 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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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.

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 Leases and Debt, 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.

Bruce Hartman
State Examiner

June 5, 2013

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

TO: THE OFFICIALS OF THE TURKEY RUN COMMUNITY SCHOOL CORPORATION, PARKE 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 Turkey Run Community School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2011 to December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated June 5, 2013, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2012-2 to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 and 2012-3 to be significant deficiencies.

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*.

Turkey Run Community 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.

Bruce Hartman
State Examiner

June 5, 2013

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FINANCIAL STATEMENT

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

TURKEY RUN COMMUNITY SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Period Ended June 30, 2012 and December 31, 2012

	Cash and Investments 07-01-11	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-12	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 12/31/12
General	$ 1,789,184	$ 3,750,992	$ 4,032,851	$ 577	$ 1,507,902	$ 1,893,399	$ 1,872,609	$ (1,528,692)	$ -
Debt Service	377,514	539,248	566,500	(3,651)	346,611	240,760	227,000	(360,371)	-
Capital Projects	950,185	577,285	617,112	(20,000)	890,358	260,396	482,781	(667,973)	-
School Transportation	196,054	492,632	481,283	8,350	215,753	223,249	225,313	(213,689)	-
School Bus Replacement	108,668	6,964	53,292	-	62,340	-	-	(62,340)	-
Rainy Day	40,000	-	-	20,000	60,000	-	-	(60,000)	-
School Lunch	74,437	231,730	266,220	-	39,947	113,597	127,907	(25,637)	-
Textbook Rental	21,918	59,140	56,109	3,651	28,600	25,884	28,356	(26,128)	-
Levy Excess	8,350	8,902	-	(8,350)	8,902	3,264	-	(12,166)	-
Educational License Plates	3,244	56	-	-	3,300	56	-	(3,356)	-
PCCF - Elem Special Education Grant	-	352	352	-	-	-	-	-	-
Temple-Inland Donation Fund	45	-	-	-	45	-	-	(45)	-
Duke-Academic Banquet Donation	232	-	232	-	-	-	-	-	-
Pamida Donation Fund	-	376	-	-	376	-	240	(136)	-
Martin Drug Prevention Grant	2,489	-	28	-	2,461	35	580	(1,916)	-
Premier Boxboard Donation	34	-	-	-	34	-	-	(34)	-
Pats Literacy Mini-Grant	246	-	130	-	116	-	-	(116)	-
Employee Wellness Grant	1,772	1,626	1,847	-	1,551	223	1,760	(14)	-
Dugdale Grant	84,472	3,499	28,042	-	59,929	-	667	(59,262)	-
Miscellaneous Programs	3,022	-	2,938	-	84	-	84	-	-
Parke County Comm Foundation Grant	2,322	-	500	-	1,822	-	-	(1,822)	-
Athletic Banner Fund	634	-	-	-	634	-	-	(634)	-
PCCF - Attendance Incentive Grant	1,025	-	-	-	1,025	-	-	(1,025)	-
High Ability/Gifted and Talented	3,271	26,237	15,734	-	13,774	8,095	22,531	662	-
Drug Free Communities	-	500	-	-	500	-	-	(500)	-
School Technology	17,401	12,630	13,532	-	16,499	7,293	3,319	(20,473)	-
Vision Athena Grant/Dist Learning	1,131	-	1,131	-	-	-	-	-	-
Unification Study Grant	1,492	-	1,492	-	-	-	-	-	-
Title I - Grants to LEAs 2010-2011	(21,256)	82,654	61,398	-	-	-	-	-	-
Title I - Grants to LEAs 2011-2012	-	195,215	223,073	-	(27,858)	74,327	46,469	-	-
Title I - Grants to LEAs 2012-2013	-	-	-	-	-	52,687	70,312	17,625	-
IDEA Part B - Pass Thru	(10,224)	152,209	157,261	-	(15,276)	77,127	73,692	11,841	-
Federal Assistance Educational Preschool Handicapped	(265)	8,465	8,605	-	(405)	4,024	4,268	649	-
Title IV 09-10 Safe/Drug Free	-	682	682	-	-	-	-	-	-
Medicaid Reimbursement - Federal	125	-	-	-	125	-	-	(125)	-
IN School Wellness Grant	50	-	50	-	-	-	-	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(2,747)	44,863	45,584	-	(3,468)	21,160	21,506	3,814	-
Rural Schools Achievement	-	10,496	10,496	-	-	18,745	18,745	-	-
Title I - Grants to LEAs	(7,170)	25,127	17,957	-	-	-	-	-	-
Special Education - Part B	(160)	18,604	18,444	-	-	-	-	-	-
Special Education - Part B - Preschool	1,068	-	1,068	-	-	-	-	-	-
School Lunch Equipment	1,873	-	1,873	-	-	-	-	-	-
Education Jobs	-	98,624	108,828	-	(10,204)	34,934	24,730	-	-
Payroll Clearing	12,138	1,054,683	1,043,539	-	23,283	435,431	451,164	(7,549)	-
Totals	$ 3,662,574	$ 7,403,791	$ 7,838,183	$ 577	$ 3,228,760	$ 3,494,686	$ 3,704,033	$ (3,019,412)	$ -

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the 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. Receipts are recorded when received and disbursements are recorded when paid.

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

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

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, funds held temporarily for an authorized recipient 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.

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 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 March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. *Teacher's Retirement Fund*

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Holding Corporation

The School Corporation has entered into a capital lease with Turkey Run School Building Corporation. The lessor was organized as a not for profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related party of the School Corporation. Lease payments during the years 2011-2012 and 2012-2013 totaled $566,500 and $227,000, respectively.

Note 8. School Consolidation

On December 31, 2012, Turkey Run Community School Corporation ceased operations and merged with Rockville Community School Corporation to form North Central Parke Community School Corporation. The fund balances were transferred to North Central Parke Community School Corporation as of December 31, 2012.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

TURKEY RUN COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Period Ended June 30, 2012

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	$ 1,789,184	$ 377,514	$ 950,185	$ 196,054	$ 108,668	$ 40,000	$ 74,437	$ 21,918	$ 8,350
Receipts:									
Local sources	30,133	539,248	576,476	487,351	6,964	-	82,146	38,454	8,902
Intermediate sources	404	-	-	-	-	-	-	-	-
State sources	3,694,724	-	-	-	-	-	1,891	20,686	-
Federal sources	-	-	-	-	-	-	147,693	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	25,731	-	809	5,281	-	-	-	-	-
Total receipts	3,750,992	539,248	577,285	492,632	6,964	-	231,730	59,140	8,902
Disbursements:									
Current:									
Instruction	2,574,911	-	-	-	-	-	-	-	-
Support services	1,369,856	-	426,817	481,283	53,292	-	-	56,109	-
Noninstructional services	88,084	-	-	-	-	-	266,220	-	-
Facilities acquisition and construction	-	-	190,295	-	-	-	-	-	-
Debt services	-	566,500	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	4,032,851	566,500	617,112	481,283	53,292	-	266,220	56,109	-
Excess (deficiency) of receipts over disbursements	(281,859)	(27,252)	(39,827)	11,349	(46,328)	-	(34,490)	3,031	8,902
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	577	-	-	-	-	-	-	-	-
Transfers in	-	-	-	8,350	-	20,000	-	3,651	-
Transfers out	-	(3,651)	(20,000)	-	-	-	-	-	(8,350)
Total other financing sources (uses)	577	(3,651)	(20,000)	8,350	-	20,000	-	3,651	(8,350)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(281,282)	(30,903)	(59,827)	19,699	(46,328)	20,000	(34,490)	6,682	552
Cash and investments - ending	$ 1,507,902	$ 346,611	$ 890,358	$ 215,753	$ 62,340	$ 60,000	$ 39,947	$ 28,600	$ 8,902

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

	Educational License Plates	PCCF - Elem Special Education Grant	Temple-Inland Donation Fund	Duke-Academic Banquet Donation	Pamida Donation Fund	Martin Drug Prevention Grant	Premier Boxboard Donation	Pats Literacy Mini-Grant	Employee Wellness Grant
Cash and investments - beginning	$ 3,244	$ -	$ 45	$ 232	$ -	$ 2,489	$ 34	$ 246	$ 1,772
Receipts:									
Local sources	-	352	-	-	376	-	-	-	1,626
Intermediate sources	56	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	56	352	-	-	376	-	-	-	1,626
Disbursements:									
Current:									
Instruction	-	352	-	232	-	-	-	130	-
Support services	-	-	-	-	-	28	-	-	1,847
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	352	-	232	-	28	-	130	1,847
Excess (deficiency) of receipts over disbursements	56	-	-	(232)	376	(28)	-	(130)	(221)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	56	-	-	(232)	376	(28)	-	(130)	(221)
Cash and investments - ending	$ 3,300	$ -	$ 45	$ -	$ 376	$ 2,461	$ 34	$ 116	$ 1,551

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

	Dugdale Grant	Miscellaneous Programs	Parke County Comm Foundation Grant	Athletic Banner Fund	PCCF - Attendance Incentive Grant	High Ability Gifted and Talented	Drug Free Communities	School Technology	Vision Athena Grants/Dist Learning
Cash and investments - beginning	$ 84,472	$ 3,022	$ 2,322	$ 634	$ 1,025	$ 3,271	$ -	$ 17,401	$ 1,131
Receipts:									
Local sources	3,499	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	26,064	500	12,630	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	173	-	-	-
Total receipts	3,499	-	-	-	-	26,237	500	12,630	-
Disbursements:									
Current:									
Instruction	28,042	-	500	-	-	6,002	-	-	-
Support services	-	-	-	-	-	9,732	-	13,532	1,131
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	2,938	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	28,042	2,938	500	-	-	15,734	-	13,532	1,131
Excess (deficiency) of receipts over disbursements	(24,543)	(2,938)	(500)	-	-	10,503	500	(902)	(1,131)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(24,543)	(2,938)	(500)	-	-	10,503	500	(902)	(1,131)
Cash and investments - ending	$ 59,929	$ 84	$ 1,822	$ 634	$ 1,025	$ 13,774	$ 500	$ 16,499	$ -

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

	Unification Study Grant	Title I - Grants to LEAs 2010-2011	Title I - Grants to LEAs 2011-2012	Title I - Grants to LEAs 2012-2013	IDEA Part B Pass Thru	Federal Assistance Educational Preschool Handicapped	Title IV 09-10 Safe/ Drug Free	Medicaid Reimbursement Federal	IN School Wellness Grant
Cash and investments - beginning	$ 1,492	$ (21,256)	$ -	$ -	$ (10,224)	$ (265)	$ -	$ 125	$ 50
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	82,654	195,215	-	152,209	8,465	682	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	82,654	195,215	-	152,209	8,465	682	-	-
Disbursements:									
Current:									
Instruction	-	59,859	220,214	-	156,141	8,605	682	-	-
Support services	1,492	1,539	2,859	-	1,120	-	-	-	50
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,492	61,398	223,073	-	157,261	8,605	682	-	50
Excess (deficiency) of receipts over disbursements	(1,492)	21,256	(27,858)	-	(5,052)	(140)	-	-	(50)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,492)	21,256	(27,858)	-	(5,052)	(140)	-	-	(50)
Cash and investments - ending	$ -	$ -	$ (27,858)	$ -	$ (15,276)	$ (405)	$ -	$ 125	$ -

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

	Improving Teaching Quality No Child Left Title II, Part A	Rural Schools Achievement	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	School Lunch Equipment	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	$ (2,747)	$ -	$ (7,170)	$ (160)	$ 1,068	$ 1,873	$ -	$ 12,138	$ 3,662,574
Receipts:									
Local sources	-	-	-	-	-	-	-	-	1,775,527
Intermediate sources	-	-	-	-	-	-	-	-	460
State sources	-	-	-	-	-	-	-	-	3,756,495
Federal sources	44,863	10,496	25,127	18,604	-	-	98,624	-	784,632
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	1,054,683	1,086,677
Total receipts	44,863	10,496	25,127	18,604	-	-	98,624	1,054,683	7,403,791
Disbursements:									
Current:									
Instruction	28,074	-	17,926	18,444	1,068	-	108,828	-	3,230,010
Support services	16,157	10,496	31	-	-	-	-	-	2,447,371
Noninstructional services	-	-	-	-	-	1,873	-	-	356,177
Facilities acquisition and construction	-	-	-	-	-	-	-	-	193,233
Debt services	-	-	-	-	-	-	-	-	566,500
Nonprogrammed charges	1,353	-	-	-	-	-	-	1,043,539	1,044,892
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	45,584	10,496	17,957	18,444	1,068	1,873	108,828	1,043,539	7,838,183
Excess (deficiency) of receipts over disbursements	(721)	-	7,170	160	(1,068)	(1,873)	(10,204)	11,144	(434,392)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	577
Transfers in	-	-	-	-	-	-	-	-	32,001
Transfers out	-	-	-	-	-	-	-	-	(32,001)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	577
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(721)	-	7,170	160	(1,068)	(1,873)	(10,204)	11,144	(433,815)
Cash and investments - ending	$ (3,468)	$ -	$ -	$ -	$ -	$ -	$ (10,204)	$ 23,283	$ 3,228,760

TURKEY RUN COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Period Ended December 31, 2012

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	School Lunch	Textbook Rental	Levy Excess
Cash and investments - beginning	$ 1,507,902	$ 346,611	$ 890,358	$ 215,753	$ 62,340	$ 60,000	$ 39,947	$ 28,600	$ 8,902
Receipts:									
Local sources	10,323	240,760	260,396	222,995	-	-	34,019	25,884	3,264
Intermediate sources	202	-	-	-	-	-	-	-	-
State sources	1,860,170	-	-	-	-	-	1,925	-	-
Federal sources	-	-	-	-	-	-	77,653	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	22,704	-	-	254	-	-	-	-	-
Total receipts	1,893,399	240,760	260,396	223,249	-	-	113,597	25,884	3,264
Disbursements:									
Current:									
Instruction	1,157,393	-	-	-	-	-	-	-	-
Support services	675,449	-	207,371	225,313	-	-	-	28,356	-
Noninstructional services	39,767	-	-	-	-	-	127,907	-	-
Facilities acquisition and construction	-	-	275,410	-	-	-	-	-	-
Debt services	-	227,000	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	1,872,609	227,000	482,781	225,313	-	-	127,907	28,356	-
Excess (deficiency) of receipts over disbursements	20,790	13,760	(222,385)	(2,064)	-	-	(14,310)	(2,472)	3,264
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	20,000	-	-	-
Transfers out	(1,528,692)	(360,371)	(667,973)	(213,689)	(62,340)	(80,000)	(25,637)	(26,128)	(12,166)
Total other financing sources (uses)	(1,528,692)	(360,371)	(667,973)	(213,689)	(62,340)	(60,000)	(25,637)	(26,128)	(12,166)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,507,902)	(346,611)	(890,358)	(215,753)	(62,340)	(60,000)	(39,947)	(28,600)	(8,902)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TURKEY RUN COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Period Ended December 31, 2012
(Continued)

	Educational License Plates	PCCF - Elem Special Education Grant	Temple-Inland Donation Fund	Duke-Academic Banquet Donation	Pamida Donation Fund	Martin Drug Prevention Grant	Premier Boxboard Donation	Pats Literacy Mini-Grant	Employee Wellness Grant
Cash and investments - beginning	$ 3,300	$ -	$ 45	$ -	$ 376	$ 2,461	$ 34	$ 116	$ 1,551
Receipts:									
Local sources	-	-	-	-	-	-	-	-	223
Intermediate sources	56	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	35	-	-	-
Total receipts	56	-	-	-	-	35	-	-	223
Disbursements:									
Current:									
Instruction	-	-	-	-	240	-	-	-	-
Support services	-	-	-	-	-	580	-	-	1,760
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	240	580	-	-	1,760
Excess (deficiency) of receipts over disbursements	56	-	-	-	(240)	(545)	-	-	(1,537)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	(3,356)	-	(45)	-	(136)	(1,916)	(34)	(116)	(14)
Total other financing sources (uses)	(3,356)	-	(45)	-	(136)	(1,916)	(34)	(116)	(14)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,300)	-	(45)	-	(376)	(2,461)	(34)	(116)	(1,551)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TURKEY RUN COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Period Ended December 31, 2012
(Continued)

	Dugdale Grant	Miscellaneous Programs	Parke County Comm Foundation Grant	Athletic Banner Fund	PCCF - Attendance Incentive Grant	High Ability Gifted and Talented	Drug Free Communities	School Technology	Vision Athena Grants/Dist Learning
Cash and investments - beginning	$ 59,929	$ 84	$ 1,822	$ 634	$ 1,025	$ 13,774	$ 500	$ 16,499	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	8,095	-	6,447	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	846	-
Total receipts	-	-	-	-	-	8,095	-	7,293	-
Disbursements:									
Current:									
Instruction	667	-	-	-	-	4,894	-	-	-
Support services	-	-	-	-	-	17,637	-	3,319	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	84	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	667	84	-	-	-	22,531	-	3,319	-
Excess (deficiency) of receipts over disbursements	(667)	(84)	-	-	-	(14,436)	-	3,974	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	662	-	-	-
Transfers out	(59,262)	-	(1,822)	(634)	(1,025)	-	(500)	(20,473)	-
Total other financing sources (uses)	(59,262)	-	(1,822)	(634)	(1,025)	662	(500)	(20,473)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(59,929)	(84)	(1,822)	(634)	(1,025)	(13,774)	(500)	(16,499)	-
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TURKEY RUN COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Period Ended December 31, 2012
(Continued)

	Unification Study Grant	Title I - Grants to LEAs 2010-2011	Title I - Grants to LEAs 2011-2012	Title I - Grants to LEAs 2012-2013	IDEA Part B Pass Thru	Federal Assistance Educational Preschool Handicapped	Title IV 09-10 Safe Drug Fee	Medicaid Reimbursement Federal	IN School Wellness Grant
Cash and investments - beginning	$ -	$ -	$ (27,858)	$ -	$ (15,276)	$ (405)	$ -	$ 125	$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	74,327	52,687	77,127	4,024	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total receipts	-	-	74,327	52,687	77,127	4,024	-	-	-
Disbursements:									
Current:									
Instruction	-	-	45,986	69,585	73,452	4,268	-	-	-
Support services	-	-	483	727	240	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	46,469	70,312	73,692	4,268	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	27,858	(17,625)	3,435	(244)	-	-	-
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	17,625	11,841	649	-	-	-
Transfers out	-	-	-	-	-	-	-	(125)	-
Total other financing sources (uses)	-	-	-	17,625	11,841	649	-	(125)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	27,858	-	15,276	405	-	(125)	-
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

TURKEY RUN COMMUNITY SCHOOL CORPORATION
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Period Ended December 31, 2012
(Continued)

	Improving Teaching Quality No Child Left Title II, Part A	Rural Schools Achievement	Title I Grants to LEAs	Special Education Part B	Special Education Part B Preschool	School Lunch Equipment	Education Jobs	Payroll Clearing	Totals
Cash and investments - beginning	$ (3,468)	$ -	$ -	$ -	$ -	$ -	$ (10,204)	$ 23,283	$ 3,228,760
Receipts:									
Local sources	-	-	-	-	-	-	-	-	797,864
Intermediate sources	-	-	-	-	-	-	-	-	258
State sources	-	-	-	-	-	-	-	-	1,876,637
Federal sources	21,160	18,745	-	-	-	-	34,934	-	360,657
Temporary loans	-	-	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	435,431	459,270
Total receipts	21,160	18,745	-	-	-	-	34,934	435,431	3,494,686
Disbursements:									
Current:									
Instruction	13,372	1,987	-	-	-	-	24,730	-	1,396,574
Support services	6,897	16,758	-	-	-	-	-	-	1,184,890
Noninstructional services	-	-	-	-	-	-	-	-	167,674
Facilities acquisition and construction	-	-	-	-	-	-	-	-	275,494
Debt services	-	-	-	-	-	-	-	-	227,000
Nonprogrammed charges	1,237	-	-	-	-	-	-	451,164	452,401
Interfund loans	-	-	-	-	-	-	-	-	-
Total disbursements	21,506	18,745	-	-	-	-	24,730	451,164	3,704,033
Excess (deficiency) of receipts over disbursements	(346)	-	-	-	-	-	10,204	(15,733)	(209,347)
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	3,814	-	-	-	-	-	-	-	54,591
Transfers out	-	-	-	-	-	-	-	(7,549)	(3,074,003)
Total other financing sources (uses)	3,814	-	-	-	-	-	-	(7,549)	(3,019,412)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,468	-	-	-	-	-	10,204	(23,283)	(3,228,760)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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TURKEY RUN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
DECEMBER 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Turkey Run School Building Corporation	2005 School building renovation project	$ 392,000	06-30-06	12-31-24
Turkey Run School Building Corporation	2003 Refunding of debt and bldg improvements	175,000	06-30-03	06-30-14
		-		
		-		
		-		
		-		
		-		
Total of annual lease payments		$ 567,000		

INTERNAL CONTROLS OVER FEDERAL PROGRAMS

Internal controls over the following compliance requirements of major federal programs were insufficient: cash management; reporting; and special tests and provisions for Title I and Special Education.

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 Indiana Public School Corporations, Chapter 9)

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the School Corporation related to financial transactions and reporting. We believe the following deficiencies constitute significant deficiencies:

Bank Reconcilements: The School Lunch Director uses a computer program to perform a monthly bank reconcilement. Since this is computer generated, it does require the School Lunch Director to manually check the reconciled bank balance to the fund balance. The School Lunch Director does not do this; therefore nobody is comparing the fund balance to the reconciled bank balance.

Disbursements: During the testing of controls, claims were paid without the evidence of receipt of goods. The School Corporation has a control requiring evidence of receipt of goods prior to payment but the control was not consistently applied.

We believe the following deficiency constitutes a material weakness:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts. The School Corporation does not issue receipts when money is received. The receipts are not posted timely (they are posted three or four times a month) and there is no segregation of duties in the receipt process. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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)

SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
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Web Site: www.in.gov/sboa

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

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

Report on Compliance for Each Major Federal Program

We have audited the Turkey Run Community School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to December 31, 2012. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period of July 1, 2011 to December 31, 2012.

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

Report on Internal Control Over Compliance

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

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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2012-4 to be a 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.

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

Bruce Hartman
State Examiner

June 5, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

TURKEY RUN COMMUNITY SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Period Ended June 30, 2012 and December 31, 2012

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 06-30-12	Total Federal Awards Expended 12-31-12
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553			
		FY 10-11	$ 8,424	$ -
		FY 11-12	35,804	12,064
		FY 12-13	-	10,625
Total for program			44,228	22,689
National School Lunch Program	10.555			
		FY 10-11	22,155	-
		FY 11-12	94,047	31,010
		FY 12-13	-	30,529
Total for program			116,202	61,539
Summer Food Service Program for Children	10.559			
		FY 11-12	3,197	-
Total for cluster			163,627	84,228
ARRA - Child Nutrition Discretionary Grants Limited Availability	10.579			
		A58-1-11SS-020	1,873	-
Total for federal grantor agency			165,500	84,228
U.S. DEPARTMENT OF EDUCATION				
Pass-Through Indiana Department of Education				
Title I, Part A Cluster				
Title I Grants to Local Educational Agencies	84.010			
		SY 10-11	82,654	-
		SY 11-12	195,215	74,329
		SY 12-13	-	52,687
Total for program			277,869	127,016
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389			
		10-6310	17,956	-
Total for cluster			295,825	127,016
Special Education Cluster				
Special Education - Grants to States	84.027			
		14211-062-PN01	39,203	-
		14212-083-PN01	113,006	41,875
		14213-083-PN01	-	35,251
Total for program			152,209	77,127

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 Period Ended June 30, 2012 and December 31, 2012
(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 06-30-12	Total Federal Awards Expended 12-31-12
U.S. DEPARTMENT OF EDUCATION (continued)				
Pass-Through Indiana Department of Education (continued)				
Special Education Cluster (continued)				
Special Education - Preschool Grants	84.173			
		45711-062-PN01	1,001	-
		45712-083-PN01	7,464	942
		45713-083-PN01	-	3,082
Total for program			8,465	4,024
Pass-Through Crawfordsville Community Schools				
ARRA - Special Education - Grants to States, Recovery Act	84.391			
		33310-062-SN01	18,445	-
ARRA - Special Education - Preschool Grants, Recovery Act	84.392			
		44410-062-SN01	1,068	-
Total for cluster			180,188	81,151
Pass-Through Indiana Department of Education				
Safe and Drug Free Schools And Communities - State Grants	84.186			
		6310-09	682	-
Rural Education	84.358			
		S358A107774	10,496	-
		S358A117774	-	18,744
Total for program			10,496	18,744
Improving Teacher Quality State Grants	84.367			
		6310-09	7,711	-
		6310-10	25,547	3,554
		6310-11	11,605	17,606
Total for program			44,863	21,160
Education Jobs Fund	84.410			
		FY 10	98,623	34,934
Total for federal grantor agency			630,676	283,005
Total federal awards expended			$ 796,176	$ 367,233

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 when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of $500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of Schools 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 period ending June 30, 2012 and December 31, 2012. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	June 30, 2012	December 31, 2012
School Breakfast Program	10.553	$ 4,431	$ 820
National School Lunch Program	10.555	11,657	5,754

TURKEY RUN COMMUNITY 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; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	yes
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

Name of Federal Program or Cluster
Title I, Part A Cluster
Special Education Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2012-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - SCHOOL LUNCH PROGRAM

We noted a deficiency in the internal control system of the School Lunch Program related to financial transactions and reporting. We believe the following deficiency constitutes a significant deficiency:

Bank Reconcilements: The School Lunch Director uses a computer program to perform a monthly bank reconcilement. Since this is computer generated, it does require a manual check of the reconciled bank balance to the fund balance. There was no evidence that anyone compared the fund balance to the reconciled bank balance.

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)

FINDING 2012-2 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - RECEIPTS

We noted a deficiency in the internal control system of the School Corporation related to financial transactions and reporting for receipts. We believe the following deficiency constitutes a material weakness:

> Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the School Corporation to reduce risks to the achievement of financial reporting objectives. The School Corporation has not separated incompatible activities related to receipts. The School Corporation does not issue receipts when money is received. The receipts are not posted timely (they are posted three or four times a month) and there is no segregation of duties in the receipt process. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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)

FINDING 2012-3 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - DISBURSEMENTS

We noted a deficiency in the internal control system of the School Corporation related to financial transactions and reporting for disbursements. We believe the following deficiency constitutes a significant deficiency:

> Disbursements: During the testing of controls, claims were paid without the evidence of receipt of goods. The School Corporation has a control requiring evidence of receipt of goods prior to payment but the control was not consistently applied.

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)

Section III – Federal Award Findings and Questioned Costs

FINDING 2012-4 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO TITLE I, PART A CLUSTER AND SPECIAL EDUCATION CLUSTER

Federal Agency: United States Department of Education
Federal Program: Title I Grants to Local Educational Agencies; ARRA - Title I Grants to Local Educational Agencies, Recovery Act; Special Education - Grants to States; Special Education - Preschool Grants; ARRA - Special Education - Grants to States, Recovery Act; and ARRA - Special Education - Preschool Grants, Recovery Act
CFDA Number: 84.010, 84.389, 84.027, 84.173, 84.391, 84.392
Federal Award Number and Year (or Other Identifying Number): SY 10-11, SY 11-12, SY 12-13; 10-6310; 14211-062-PN01, 14212-083-PN01, 14213-083-PN01; 45711-062-PN01, 45712-083-PN01, 45713-083-PN01; 33310-062-SN01; 44410-062-SN01
Pass-Through Entity: Indiana Department of Education and Crawfordsville Community School Corporation

Management of the School Corporation has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect to the program.

This includes the following compliance requirements for:

Title I Grants to Local Educational Agencies and ARRA - Title I Grants to Local Educational Agencies, Recovery Act: Cash Management; Reporting; and Special Tests and Provisions

Special Education - Grants to States, Special Education - Preschool Grants, ARRA - Special Education - Grants to States, Recovery Act, and ARRA - Special Education - Preschool Grants: Cash Management; Reporting; and Special Tests and Provisions

The failure to establish an effective internal control system places 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 also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the grant.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 (b) states:

"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."

The failure to establish internal controls could enable material noncompliance to remain undetected. Noncompliance of the grant agreement or the compliance requirements that have a direct and material effect to the program could result in the loss of federal funds to the School Corporation.

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect to the program.

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FEDERAL FINDING 2011-1

Original SBA Audit Report Number:	B40053
Fiscal Year:	FY 09-10 and FY 10-11
Auditee Contact Person:	Janet S. Lindley
Title of Contact Person:	Cafeteria Manager
Phone Number:	765-597-2744
Status of Finding:	Corrected

Internal controls over financial transactions and reporting have been strengthened to include procedures to:

- Segregate cash handling duties between the Cafeteria Manager and Assistant Manager,
- Provide detailed supporting documentation to the Superintendent for each Cafeteria disbursement, and
- Present financial statements to the Superintendent each month for review, which have been prepared by the Cafeteria Manager and which are supported by detailed, system-generated reports. Similar system-generated financial statements are presented to the Corporation Treasurer semiannually for inclusion in the Corporation biannual reports.

FINDING 2011-2

Original SBA Audit Report Number:	B40053
Fiscal Year:	FY 09-10 and FY 10-11
Auditee Contact Person:	Janet S. Lindley
Title of Contact Person:	Cafeteria Manager
Phone Number:	765-597-2744
Status of Finding:	Corrected

Applications for free and reduced school provided meals are now proofed following entry into the student management system in order to reduce data entry errors. Additionally, procedures have been established to verify and document program eligibility for selected applications.

Janet S. Lindley
Janet S. Lindley, Cafeteria Manager — 7/2/13 Date

Thomas W. Rohr
Thomas W. Rohr, PhD, Superintendent — 7/2/13 Date

Turkey Run Community School Corporation
Quality Education for Every Learner

Thomas W. Rohr, Ph. D.
Superintendent

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Marshall, IN 47859
Phone (765) 597-2750
Fax (765) 597-2755

TURKEY RUN COMMUNITY SCHOOL CORPORATION
CORRECTIVE ACTION PLAN

FINDING 2012 - 1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING – SCHOOL LUNCH

Contact Person: Janet S. Lindley
Title of Contact Person: Cafeteria Manager
Phone Number: 765-597-2744
Expected Completion Date: N/A

Corrective Action: Since Turkey Run CSC ceased to exist as of December 31, 2012, no corrective plan can be implemented. Consideration will be given to the internal control findings of auditors by the successor school corporation's management.

FINDING 2012 - 2 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING – RECEIPTS

Contact Person: Sally Wimmer Burgess
Title of Contact Person: Treasurer
Phone Number: 765-597-2750
Expected Completion Date: N/A

Corrective Action: Since Turkey Run CSC ceased to exist as of December 31, 2012, no corrective plan can be implemented. Consideration will be given to the internal control findings of auditors by the successor school corporation's management.

FINDING 2012 - 3 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING – DISBURSEMENTS

Contact Person: Sally Wimmer Burgess
Title of Contact Person: Treasurer
Phone Number: 765-597-2750
Expected Completion Date: N/A

Corrective Action: Since Turkey Run CSC ceased to exist as of December 31, 2012, no corrective plan can be implemented. Consideration will be given to the internal control findings of auditors by the successor school corporation's management.

FINDING 2012 - 4 – Federal Award Findings and Questioned Costs

Contact Person:	Sally Wimmer Burgess
Title of Contact Person:	Treasurer
Phone Number:	765-597-2750
Expected Completion Date:	N/A

Corrective Action:

Since Turkey Run CSC ceased to exist as of December 31, 2012, no corrective plan can be implemented. Consideration will be given to the internal control findings of auditors by the successor school corporation's management.

During the runoff period of the Turkey Run CSC federal grants, reimbursement requests and other reportings will be reviewed by another individual to address the internal control concerns over cash management, financial reporting and grant compliance.

SWBurgess

Sally Wimmer Burgess, Treasurer

June 5, 2013

Thomas W. Rohr, Superintendent

TURKEY RUN COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on June 5, 2013, with Greg P. Harvey, President of the School Board; Dr. Thomas R. Rohr, Superintendent of Schools; and Sally Wimmer Burgess, Treasurer.