

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

AUDIT REPORT

OF

OAK HILL UNITED SCHOOL CORPORATION

GRANT COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED

02/03/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sandra K. London Debra S. Smith	07-01-07 to 02-13-09 02-14-09 to 06-30-10
Superintendent of Schools	James W. Smith Joel G. Martin	07-01-07 to 12-31-07 01-01-08 to 06-30-10
President of the School Board	Toby D. Middlesworth Paul Dana Biggs	07-01-07 to 06-30-08 07-01-08 to 06-30-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE OAK HILL UNITED SCHOOL
CORPORATION, GRANT COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oak Hill United School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated January 12, 2010, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the

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

U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

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

STATE BOARD OF ACCOUNTS

January 12, 2010



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

TO: THE OFFICIALS OF THE OAK HILL UNITED SCHOOL
CORPORATION, GRANT COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Oak Hill United School Corporation (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated January 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

January 12, 2010

OAK HILL UNITED SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 6,342,085	\$ -	\$ 168,383	\$ (6,173,702)
Support services	4,322,838	377,333	196,609	(3,748,896)
Noninstructional services	664,584	-	-	(664,584)
Facilities acquisition and construction	2,106,101	-	-	(2,106,101)
Debt service	7,582,759	-	-	(7,582,759)
Nonprogrammed charges	102,137	-	-	(102,137)
Total governmental activities	<u>\$ 21,120,504</u>	<u>\$ 377,333</u>	<u>\$ 364,992</u>	<u>(20,378,179)</u>
General receipts:				
Property taxes				6,574,584
Other local sources				1,105,041
State aid				5,785,264
Bonds and loans				6,105,792
Grants and contributions not restricted to specific programs				601,487
Sale of property				25,200
Investment earnings				106,810
Other				5,947
Total general receipts				<u>20,310,125</u>
Change in net assets				(68,054)
Net assets - beginning				<u>2,917,374</u>
Net assets - ending				<u>\$ 2,849,320</u>
<u>Assets</u>				
Cash and investments				\$ 2,094,029
Restricted assets:				
Cash and investments				<u>755,291</u>
Total assets				<u>\$ 2,849,320</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 755,291
Unrestricted				<u>2,094,029</u>
Total net assets				<u>\$ 2,849,320</u>

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

OAK HILL UNITED SCHOOL CORPORATION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Totals</u>
Governmental activities:				
Instruction	\$ 6,237,637	\$ -	\$ 200,254	\$ (6,037,383)
Support services	4,895,863	337,352	214,153	(4,344,358)
Noninstructional services	665,589	-	-	(665,589)
Facilities acquisition and construction	753,285	-	-	(753,285)
Debt service	5,725,940	-	-	(5,725,940)
Nonprogrammed charges	139,925	-	-	(139,925)
Total governmental activities	<u>\$ 18,418,239</u>	<u>\$ 337,352</u>	<u>\$ 414,407</u>	<u>(17,666,480)</u>
General receipts:				
Property taxes				5,672,856
Other local sources				869,372
State aid				6,623,125
Bonds and loans				2,039,838
Grants and contributions not restricted to specific programs				1,348,419
Sale of property				1,665
Investment earnings				36,540
Other				1,102
Total general receipts				<u>16,592,917</u>
Change in net assets				(1,073,563)
Net assets - beginning				<u>2,849,320</u>
Net assets - ending				<u>\$ 1,775,757</u>
<u>Assets</u>				
Cash and investments				\$ 1,265,570
Restricted assets:				
Cash and investments				<u>510,187</u>
Total assets				<u>\$ 1,775,757</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 510,187
Unrestricted				<u>1,265,570</u>
Total net assets				<u>\$ 1,775,757</u>

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

OAK HILL UNITED SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Debt Service	Capital Projects	Other	Totals
Receipts:					
Local sources	\$ 2,916,780	\$ 2,861,820	\$ 1,112,210	\$ 1,272,270	\$ 8,163,080
Intermediate sources	390	-	-	300	690
State sources	5,896,811	-	-	152,376	6,049,187
Federal sources	167	-	-	702,387	702,554
Temporary loans	1,708,241	1,604,386	594,798	616,325	4,523,750
Other	14	-	-	5,933	5,947
Total receipts	10,522,403	4,466,206	1,707,008	2,749,591	19,445,208
Disbursements:					
Current:					
Instruction	5,865,001	-	-	477,084	6,342,085
Support services	2,588,015	23,568	522,078	1,189,177	4,322,838
Noninstructional services	170,147	-	-	494,437	664,584
Facilities acquisition and construction	-	-	387,454	1,718,647	2,106,101
Debt services	2,373,155	3,964,752	741,592	503,260	7,582,759
Nonprogrammed charges	83,097	-	-	19,040	102,137
Total disbursements	11,079,415	3,988,320	1,651,124	4,401,645	21,120,504
Excess (deficiency) of receipts over disbursements	(557,012)	477,886	55,884	(1,652,054)	(1,675,296)
Other financing sources (uses):					
Proceeds of long-term debt	-	-	-	1,582,042	1,582,042
Sale of capital assets	1,852	-	3,200	20,148	25,200
Transfers in	-	-	-	275,224	275,224
Transfers out	-	(245,303)	-	(29,921)	(275,224)
Total other financing sources (uses)	1,852	(245,303)	3,200	1,847,493	1,607,242
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(555,160)	232,583	59,084	195,439	(68,054)
Cash and investments - beginning	1,275,869	522,708	495,134	623,663	2,917,374
Cash and investments - ending	<u>\$ 720,709</u>	<u>\$ 755,291</u>	<u>\$ 554,218</u>	<u>\$ 819,102</u>	<u>\$ 2,849,320</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 720,709	\$ -	\$ 554,218	\$ 819,102	\$ 2,094,029
Restricted assets:					
Cash and investments	-	755,291	-	-	755,291
Total cash and investment assets - ending	<u>\$ 720,709</u>	<u>\$ 755,291</u>	<u>\$ 554,218</u>	<u>\$ 819,102</u>	<u>\$ 2,849,320</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ 755,291	\$ -	\$ -	\$ 755,291
Unrestricted	720,709	-	554,218	819,102	2,094,029
Total cash and investment fund balance - ending	<u>\$ 720,709</u>	<u>\$ 755,291</u>	<u>\$ 554,218</u>	<u>\$ 819,102</u>	<u>\$ 2,849,320</u>

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

OAK HILL UNITED SCHOOL CORPORATION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Fiscal Stabilization	Debt Service	Capital Projects	Other	Totals
Receipts:						
Local sources	\$ 2,726,553	\$ -	\$ 1,715,417	\$ 1,124,592	\$ 1,348,493	\$ 6,915,055
Intermediate sources	390	-	-	-	675	1,065
State sources	6,765,911	-	-	-	153,228	6,919,139
Federal sources	-	742,343	-	-	724,468	1,466,811
Temporary loans	213,811	-	865,943	267,519	543,752	1,891,025
Other	852	-	-	-	251	1,103
Total receipts	9,707,517	742,343	2,581,360	1,392,111	2,770,867	17,194,198
Disbursements:						
Current:						
Instruction	5,555,135	249,782	-	-	432,720	6,237,637
Support services	2,823,250	124,533	514	538,061	1,409,505	4,895,863
Noninstructional services	184,380	9,264	-	-	471,945	665,589
Facilities acquisition and construction	-	-	-	598,354	154,931	753,285
Debt services	1,708,241	-	2,825,950	594,798	596,951	5,725,940
Nonprogrammed charges	123,505	-	-	-	16,420	139,925
Total disbursements	10,394,511	383,579	2,826,464	1,731,213	3,082,472	18,418,239
Excess (deficiency) of receipts over disbursements	(686,994)	358,764	(245,104)	(339,102)	(311,605)	(1,224,041)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	148,813	148,813
Sale of capital assets	1,665	-	-	-	-	1,665
Transfers in	-	-	-	-	64,053	64,053
Transfers out	-	-	-	-	(64,053)	(64,053)
Total other financing sources (uses)	1,665	-	-	-	148,813	150,478
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(685,329)	358,764	(245,104)	(339,102)	(162,792)	(1,073,563)
Cash and investments - beginning	720,709	-	755,291	554,218	819,102	2,849,320
Cash and investments - ending	<u>\$ 35,380</u>	<u>\$ 358,764</u>	<u>\$ 510,187</u>	<u>\$ 215,116</u>	<u>\$ 656,310</u>	<u>\$ 1,775,757</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 35,380	\$ 358,764	\$ -	\$ 215,116	\$ 656,310	\$ 1,265,570
Restricted assets:						
Cash and investments	-	-	510,187	-	-	510,187
Total cash and investment assets - ending	<u>\$ 35,380</u>	<u>\$ 358,764</u>	<u>\$ 510,187</u>	<u>\$ 215,116</u>	<u>\$ 656,310</u>	<u>\$ 1,775,757</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ 510,187	\$ -	\$ -	\$ 510,187
Unrestricted	35,380	358,764	-	215,116	656,310	1,265,570
Total cash and investment fund balance - ending	<u>\$ 35,380</u>	<u>\$ 358,764</u>	<u>\$ 510,187</u>	<u>\$ 215,116</u>	<u>\$ 656,310</u>	<u>\$ 1,775,757</u>

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

OAK HILL UNITED SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>3,274</u>
Deductions:	
Administrative and general	<u>2,820</u>
Excess of total additions over total deductions	454
Cash and investment fund balance - beginning	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 454</u>
Net assets:	
Cash and investments	\$ <u>454</u>
Total net assets - cash and investment basis held in trust	<u>\$ 454</u>

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

OAK HILL UNITED SCHOOL CORPORATION
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	<u>Private-Purpose Trust Funds</u>
Additions:	
Contributions:	
Other	\$ <u>116,711</u>
Deductions:	
Administrative and general	<u>33,823</u>
Excess of total additions over total deductions	82,888
Cash and investment fund balance - beginning	<u>454</u>
Cash and investment fund balance - ending	<u>\$ 83,342</u>
Net assets:	
Cash and investments	<u>\$ 83,342</u>
Total net assets - cash and investment basis held in trust	<u>\$ 83,342</u>

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

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

The School Corporation's financial reporting entity is composed of the following:

Primary Government: Oak Hill United School Corporation

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

Joint Venture

The School Corporation is a participant with Eastbrook Community School Corporation, Marion Community Schools, Mississinewa Community School Corporation, and Madison-Grant United School Corporation in a joint venture to operate the Grant County Special Services Cooperative (Co-op) which was created to provide programs and services for children with special needs. The Co-op's continued existence depends on continued funding by the School Corporations. Complete financial statements for the Co-op can be obtained from their administrative office at 424 East South A Street, Gas City, IN 46933.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statements of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation reports the following major governmental funds:

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

The fiscal stabilization fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

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

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

Additionally, the School Corporation reports the following fund type:

The private-purpose trust funds report trust arrangements under which principal and income benefit students.

C. Measurement Focus and Basis of Accounting

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

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

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

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

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

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

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to June 30 of the year collected.

3. Capital Assets

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

4. Long-Term Debt

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

5. Equity Classification

Government-Wide Statements

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

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

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

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements. Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

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

B. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	June 30, 2008	June 30, 2009
Special Education Preschool	\$ 18,388	\$ 919
PL 105-17 IDEA 2007-08	34,373	-
Construction	648	-
Gifts and Donations	96	-

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements. These deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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

2. Investments

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

the School Corporation to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the School Corporation and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School Corporation may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the School Corporation's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The School Corporation does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The School Corporation must follow state statute and limit the stated final maturities of the investments to no more than two years. The School Corporation does not have a formal investment policy for interest rate risk for investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School Corporation does not have a formal investment policy for credit risk for investments.

OAK HILL UNITED SCHOOL CORPORATION
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The School Corporation does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The School Corporation does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>
Debt Service Fund	Other governmental funds	\$ 245,303	\$ -
Other governmental funds	Other governmental funds	<u>29,921</u>	<u>64,053</u>
Totals		<u>\$ 275,224</u>	<u>\$ 64,053</u>

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

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees

During 1988, the School Corporation joined the School Employees' Benefit Trust, a public entity risk pool currently operating as a common risk management and insurance program for 14 member governmental entities. This risk pool was formed in 1980. The purpose of the risk pool is to provide a medium for the funding and administration of medical benefits to employees. The risk

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$150,000 per insured event. The risk pool obtains independent coverage for insured events in excess of the \$150,000 limit.

B. Holding Corporations

The School Corporation has entered into a capital lease with Oak Hill School Building Corporation (the lessor). 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 year ended June 30, 2008, and June 30, 2009, totaled \$2,055,930 and \$1,756,500, respectively

C. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment medical insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 15 years of service. Currently, 16 retirees meet these eligibility requirements. The School Corporation and retirees provide a portion of these postemployment benefits. The amount provided by the School Corporation is determined by the year in which retirement begins. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2009, disbursements of \$54,519 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Funding Policy and Annual Pension Cost

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

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 62,962
Interest on net pension obligation	(7,798)
Adjustment to annual required contribution	8,887
Annual pension cost	64,051
Contributions made	61,108
Increase in net pension obligation	2,943
Net pension obligation, beginning of year	(107,565)
Net pension obligation, end of year	\$ (104,622)
	PERF
Contribution rates:	
School Corporation	6.75%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 57,958	105%	\$ (114,690)
	06-30-07	67,655	89%	(107,565)
	06-30-08	64,051	95%	(104,622)

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

Teachers' Retirement Fund

Plan Description

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

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

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

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Costs

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

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 7% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$240,524, \$228,853, and \$210,227, respectively. The School Corporation contributed 100% of the required contribution for each of the fiscal years.

OAK HILL UNITED SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 1,241,461	\$ 1,269,261	\$ (27,800)	98%	\$ 1,021,399	(3%)
07-01-07	1,273,672	1,197,184	76,488	106%	1,063,469	7%
07-01-08	1,433,480	1,406,067	27,413	102%	1,036,056	3%

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Transportation Operating	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental	Education License Plate	Gifted and Talented 2006-07
Receipts:							
Local sources	\$ 614,994	\$ 6,643	\$ -	\$ 302,985	\$ 173,807	\$ -	\$ -
Intermediate sources	-	-	-	-	-	300	-
State sources	-	54,451	-	7,736	33,354	-	-
Federal sources	51	-	-	155,518	-	-	-
Temporary loans	458,039	-	-	-	-	-	-
Other	-	-	-	170	600	-	1,453
Total receipts	1,073,084	61,094	-	466,409	207,761	300	1,453
Disbursements:							
Current:							
Instruction	-	48,785	33,514	-	-	-	-
Support services	635,576	-	169,568	446	182,931	-	-
Noninstructional services	-	-	-	455,519	-	1,000	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	403,020	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	1,038,596	48,785	203,082	455,965	182,931	1,000	-
Excess (deficiency) of receipts over disbursements	34,488	12,309	(203,082)	10,444	24,830	(700)	1,453
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	1,335	-	-	-	10,754	-	-
Transfers in	45,303	-	200,000	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	46,638	-	200,000	-	10,754	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	81,126	12,309	(3,082)	10,444	35,584	(700)	1,453
Cash and investments - beginning	170,619	(30,697)	161,643	14,877	97,839	1,931	(1,453)
Cash and investments - ending	\$ 251,745	\$ (18,388)	\$ 158,561	\$ 25,321	\$ 133,423	\$ 1,231	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 251,745	\$ (18,388)	\$ 158,561	\$ 25,321	\$ 133,423	\$ 1,231	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 251,745	\$ (18,388)	\$ 158,561	\$ 25,321	\$ 133,423	\$ 1,231	\$ -

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Gifted and Talented 2007-08	Stacia Langford Scholarship	IN Access Grant	Community Foundation Grant	Professional Development 2007-08	Professional Development 2005-06	Professional Development 2006-07
Receipts:							
Local sources	\$ -	\$ 5	\$ -	\$ 35,400	\$ -	\$ -	\$ 119
Intermediate sources	-	-	-	-	-	-	-
State sources	31,770	-	-	-	25,065	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	31,770	5	-	35,400	25,065	-	119
Disbursements:							
Current:							
Instruction	30,327	-	-	-	-	-	-
Support services	-	-	-	-	2,672	1,035	15,948
Noninstructional services	-	-	-	35,400	-	-	-
Facilities acquisition and construction	-	-	66,050	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	150	-	-	-	-	-
Total disbursements	30,327	150	66,050	35,400	2,672	1,035	15,948
Excess (deficiency) of receipts over disbursements	1,443	(145)	(66,050)	-	22,393	(1,035)	(15,829)
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	1,443	(145)	(66,050)	-	22,393	(1,035)	(15,829)
Cash and investments - beginning	(605)	145	72,816	-	-	1,035	20,513
Cash and investments - ending	\$ 838	\$ -	\$ 6,766	\$ -	\$ 22,393	\$ -	\$ 4,684
Cash and Investment Assets - Ending							
Cash and investments	\$ 838	\$ -	\$ 6,766	\$ -	\$ 22,393	\$ -	\$ 4,684
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 838	\$ -	\$ 6,766	\$ -	\$ 22,393	\$ -	\$ 4,684

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title I 2007-08	Title I 2006-07	Title V Part A 2006-07	Title V 2007-08	PL 105-17 IDEA 2007-08	PL 105-17 IDEA 2006-07	Preschool 2007-08
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	159,595	16,000	-	2,141	220,212	60,355	17,191
Temporary loans	-	-	-	-	-	-	-
Other	-	-	2,556	-	-	1,154	-
	<u>159,595</u>	<u>16,000</u>	<u>2,556</u>	<u>2,141</u>	<u>220,212</u>	<u>61,509</u>	<u>17,191</u>
Total receipts	159,595	16,000	2,556	2,141	220,212	61,509	17,191
Disbursements:							
Current:							
Instruction	141,485	15,515	-	4,914	164,661	-	-
Support services	6,352	-	-	-	85,317	-	-
Noninstructional services	1,608	910	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	9,381
	<u>149,445</u>	<u>16,425</u>	<u>-</u>	<u>4,914</u>	<u>249,978</u>	<u>-</u>	<u>9,381</u>
Total disbursements	149,445	16,425	-	4,914	249,978	-	9,381
Excess (deficiency) of receipts over disbursements	10,150	(425)	2,556	(2,773)	(29,766)	61,509	7,810
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	16,603	-	-	13,318	-	-	-
Transfers out	-	(16,603)	-	-	-	-	-
	<u>16,603</u>	<u>(16,603)</u>	<u>-</u>	<u>13,318</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	16,603	(16,603)	-	13,318	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	26,753	(17,028)	2,556	10,545	(29,766)	61,509	7,810
Cash and investments - beginning	-	17,028	(2,556)	-	(4,607)	(61,509)	-
Cash and investments - ending	\$ 26,753	\$ -	\$ -	\$ 10,545	\$ (34,373)	\$ -	\$ 7,810
Cash and Investment Assets - Ending							
Cash and investments	<u>\$ 26,753</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,545</u>	<u>\$ (34,373)</u>	<u>\$ -</u>	<u>\$ 7,810</u>
Cash and Investment Fund Balance - Ending							
Unrestricted	<u>\$ 26,753</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,545</u>	<u>\$ (34,373)</u>	<u>\$ -</u>	<u>\$ 7,810</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title IV Part A 2007-08	Title IV Part A 2005-06	Title IV Part A 2006-07	Preschool 2006-07	Carl Perkins Grant 2006-07	Carl Perkins Grant 2007-08
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	4,561	-	1,150	2,181	4,487	10,459
Temporary loans	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	4,561	-	1,150	2,181	4,487	10,459
Disbursements:						
Current:						
Instruction	-	-	-	-	1,081	10,459
Support services	-	671	676	2,152	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	9,509	-	-
Total disbursements	-	671	676	11,661	1,081	10,459
Excess (deficiency) of receipts over disbursements	4,561	(671)	474	(9,480)	3,406	-
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(2,280)	-	-	-	-	-
Total other financing sources (uses)	(2,280)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,281	(671)	474	(9,480)	3,406	-
Cash and investments - beginning	-	671	1,228	10,107	(3,406)	-
Cash and investments - ending	<u>\$ 2,281</u>	<u>\$ -</u>	<u>\$ 1,702</u>	<u>\$ 627</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	<u>\$ 2,281</u>	<u>\$ -</u>	<u>\$ 1,702</u>	<u>\$ 627</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Unrestricted	<u>\$ 2,281</u>	<u>\$ -</u>	<u>\$ 1,702</u>	<u>\$ 627</u>	<u>\$ -</u>	<u>\$ -</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Title II Part A 2005-06	Title II Part A 2007-08	Title II Part A 2006-07	School Bus Replacement	Construction	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 137,306	\$ 1,011	\$ 1,272,270
Intermediate sources	-	-	-	-	-	300
State sources	-	-	-	-	-	152,376
Federal sources	-	48,486	-	-	-	702,387
Temporary loans	-	-	-	158,286	-	616,325
Other	-	-	-	-	-	5,933
Total receipts	-	48,486	-	295,592	1,011	2,749,591
Disbursements:						
Current:						
Instruction	-	26,343	-	-	-	477,084
Support services	10	8,584	1,060	76,179	-	1,189,177
Noninstructional services	-	-	-	-	-	494,437
Facilities acquisition and construction	-	-	-	-	1,652,597	1,718,647
Debt services	-	-	-	100,240	-	503,260
Nonprogrammed charges	-	-	-	-	-	19,040
Total disbursements	10	34,927	1,060	176,419	1,652,597	4,401,645
Excess (deficiency) of receipts over disbursements	(10)	13,559	(1,060)	119,173	(1,651,586)	(1,652,054)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	-	1,582,042	1,582,042
Sale of capital assets	-	-	-	-	8,059	20,148
Transfers in	-	-	-	-	-	275,224
Transfers out	-	(11,038)	-	-	-	(29,921)
Total other financing sources (uses)	-	(11,038)	-	-	1,590,101	1,847,493
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(10)	2,521	(1,060)	119,173	(61,485)	195,439
Cash and investments - beginning	10	5,901	1,060	90,236	60,837	623,663
Cash and investments - ending	\$ -	\$ 8,422	\$ -	\$ 209,409	\$ (648)	\$ 819,102
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 8,422	\$ -	\$ 209,409	\$ (648)	\$ 819,102
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ 8,422	\$ -	\$ 209,409	\$ (648)	\$ 819,102

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Transportation Operating	Special Education Preschool	Rainy Day	School Lunch	Textbook Rental	Education License Plate	High Ability Grant 2008-09
Receipts:							
Local sources	\$ 671,579	\$ 6,407	\$ -	\$ 299,898	\$ 136,373	\$ -	\$ -
Intermediate sources	-	-	-	-	-	675	-
State sources	-	50,716	-	8,198	34,346	-	31,770
Federal sources	-	-	-	171,608	-	-	-
Temporary loans	319,334	-	-	-	-	-	-
Other	-	-	-	251	-	-	-
Total receipts	990,913	57,123	-	479,955	170,719	675	31,770
Disbursements:							
Current:							
Instruction	-	39,654	-	-	-	-	29,778
Support services	631,289	-	158,412	289	202,209	-	-
Noninstructional services	-	-	-	469,752	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	438,665	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	1,069,954	39,654	158,412	470,041	202,209	-	29,778
Excess (deficiency) of receipts over disbursements	(79,041)	17,469	(158,412)	9,914	(31,490)	675	1,992
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	33,418	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	33,418	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(79,041)	17,469	(124,994)	9,914	(31,490)	675	1,992
Cash and investments - beginning	251,745	(18,388)	158,561	25,321	133,423	1,231	-
Cash and investments - ending	\$ 172,704	\$ (919)	\$ 33,567	\$ 35,235	\$ 101,933	\$ 1,906	\$ 1,992
Cash and Investment Assets - Ending							
Cash and investments	\$ 172,704	\$ (919)	\$ 33,567	\$ 35,235	\$ 101,933	\$ 1,906	\$ 1,992
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 172,704	\$ (919)	\$ 33,567	\$ 35,235	\$ 101,933	\$ 1,906	\$ 1,992

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Gifted and Talented 2007-08	Education Technology	Stacia Langford Scholarship	Non-English Speaking 2008-09	IN Access Grant	Access Indiana 2008-10	Professional Development 2007-08
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 311
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	200	450	-	2,500	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	66,038	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	66,038	200	450	-	2,500	311
Disbursements:							
Current:							
Instruction	838	-	-	-	-	-	-
Support services	-	29,953	-	-	-	-	12,916
Noninstructional services	-	-	200	-	-	-	-
Facilities acquisition and construction	-	-	-	-	6,766	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	838	29,953	200	-	6,766	-	12,916
Excess (deficiency) of receipts over disbursements	(838)	36,085	-	450	(6,766)	2,500	(12,605)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(838)	36,085	-	450	(6,766)	2,500	(12,605)
Cash and investments - beginning	838	-	-	-	6,766	-	22,393
Cash and investments - ending	\$ -	\$ 36,085	\$ -	\$ 450	\$ -	\$ 2,500	\$ 9,788
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 36,085	\$ -	\$ 450	\$ -	\$ 2,500	\$ 9,788
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 36,085	\$ -	\$ 450	\$ -	\$ 2,500	\$ 9,788

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Professional Development 2008-09	Professional Development 2006-07	Ecolab Grants	Title I 2007-08	Title I 2008-09	Title V Part A 2006-07	Title V 2007-08
Receipts:							
Local sources	\$ -	\$ -	\$ 5,527	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	25,048	-	-	-	-	-	-
Federal sources	-	-	-	6,000	168,082	835	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	25,048	-	5,527	6,000	168,082	835	-
Disbursements:							
Current:							
Instruction	-	-	1,302	16,535	144,802	7,751	10,545
Support services	1,171	4,150	-	-	7,806	-	-
Noninstructional services	-	-	-	625	1,368	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	1,171	4,150	1,302	17,160	153,976	7,751	10,545
Excess (deficiency) of receipts over disbursements	23,877	(4,150)	4,225	(11,160)	14,106	(6,916)	(10,545)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	15,593	15,042	-
Transfers out	-	-	-	(15,593)	-	-	-
Total other financing sources (uses)	-	-	-	(15,593)	15,593	15,042	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	23,877	(4,150)	4,225	(26,753)	29,699	8,126	(10,545)
Cash and investments - beginning	-	4,684	-	26,753	-	-	10,545
Cash and investments - ending	\$ 23,877	\$ 534	\$ 4,225	\$ -	\$ 29,699	\$ 8,126	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 23,877	\$ 534	\$ 4,225	\$ -	\$ 29,699	\$ 8,126	\$ -
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ 23,877	\$ 534	\$ 4,225	\$ -	\$ 29,699	\$ 8,126	\$ -

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	PL 105-17 IDEA 2007-08	PL 105-17 IDEA 2008-09	Preschool 2007-08	Preschool 2008-09	Title IV Part A 2007-08	Title IV Part A 2008-09	Title IV Part A 2006-07
Receipts:							
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	43,910	263,859	-	17,212	-	3,620	-
Temporary loans	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	43,910	263,859	-	17,212	-	3,620	-
Disbursements:							
Current:							
Instruction	293	160,997	-	942	-	-	-
Support services	9,244	79,592	1,176	2,547	700	87	1,634
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	6,634	9,786	-	-	-
Total disbursements	9,537	240,589	7,810	13,275	700	87	1,634
Excess (deficiency) of receipts over disbursements	34,373	23,270	(7,810)	3,937	(700)	3,533	(1,634)
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,800)	-
Total other financing sources (uses)	-	-	-	-	-	(1,800)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,373	23,270	(7,810)	3,937	(700)	1,733	(1,634)
Cash and investments - beginning	(34,373)	-	7,810	-	2,281	-	1,702
Cash and investments - ending	\$ -	\$ 23,270	\$ -	\$ 3,937	\$ 1,581	\$ 1,733	\$ 68
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 23,270	\$ -	\$ 3,937	\$ 1,581	\$ 1,733	\$ 68
Cash and Investment Fund Balance - Ending							
Unrestricted	\$ -	\$ 23,270	\$ -	\$ 3,937	\$ 1,581	\$ 1,733	\$ 68

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Preschool 2006-07	Title II Part A 2007-08	School Bus Replacement	Construction	Construction Common School	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 228,398	\$ -	\$ -	\$ 1,348,493
Intermediate sources	-	-	-	-	-	675
State sources	-	-	-	-	-	153,228
Federal sources	-	49,342	-	-	-	724,468
Temporary loans	-	-	155,980	-	2,400	543,752
Other	-	-	-	-	-	251
Total receipts	-	49,342	384,378	-	2,400	2,770,867
Disbursements:						
Current:						
Instruction	-	19,283	-	-	-	432,720
Support services	627	16,560	249,143	-	-	1,409,505
Noninstructional services	-	-	-	-	-	471,945
Facilities acquisition and construction	-	-	-	148,165	-	154,931
Debt services	-	-	158,286	-	-	596,951
Nonprogrammed charges	-	-	-	-	-	16,420
Total disbursements	627	35,843	407,429	148,165	-	3,082,472
Excess (deficiency) of receipts over disbursements	(627)	13,499	(23,051)	(148,165)	2,400	(311,605)
Other financing sources (uses):						
Proceeds of long-term debt	-	-	-	148,813	-	148,813
Transfers in	-	-	-	-	-	64,053
Transfers out	-	(13,242)	(33,418)	-	-	(64,053)
Total other financing sources (uses)	-	(13,242)	(33,418)	148,813	-	148,813
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(627)	257	(56,469)	648	2,400	(162,792)
Cash and investments - beginning	627	8,422	209,409	(648)	-	819,102
Cash and investments - ending	\$ -	\$ 8,679	\$ 152,940	\$ -	\$ 2,400	\$ 656,310
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 8,679	\$ 152,940	\$ -	\$ 2,400	\$ 656,310
Cash and Investment Fund Balance - Ending						
Unrestricted	\$ -	\$ 8,679	\$ 152,940	\$ -	\$ 2,400	\$ 656,310

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Marvin Green Scholarship	Gifts and Donations	Totals
Additions:			
Contributions:			
Other	\$ 550	\$ 2,724	\$ 3,274
Deductions:			
Administrative and general	-	2,820	2,820
Excess of total additions over total deductions	550	(96)	454
Cash and investment fund balance - beginning	-	-	-
Cash and Investments - June 30	\$ 550	\$ (96)	\$ 454
Net assets:			
Cash and investments	\$ 550	\$ (96)	\$ 454
Total net assets - cash and investment basis held in trust	\$ 550	\$ (96)	\$ 454

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	Marvin Green Scholarship	Mental Attitude Scholarship	Gifts and Donations	Central Indiana Ethanol Donation	Totals
Additions:					
Contributions:					
Other	\$ -	\$ 1,000	\$ 5,711	\$ 110,000	\$ 116,711
Deductions:					
Administrative and general	-	-	4,707	29,116	33,823
Excess of total additions over total deductions	-	1,000	1,004	80,884	82,888
Cash and investment fund balance - beginning	550	-	(96)	-	454
Cash and Investments - June 30	<u>\$ 550</u>	<u>\$ 1,000</u>	<u>\$ 908</u>	<u>\$ 80,884</u>	<u>\$ 83,342</u>
Net assets:					
Cash and investments	\$ 550	\$ 1,000	\$ 908	\$ 80,884	\$ 83,342
Total net assets - cash and investment basis held in trust	<u>\$ 550</u>	<u>\$ 1,000</u>	<u>\$ 908</u>	<u>\$ 80,884</u>	<u>\$ 83,342</u>

OAK HILL UNITED SCHOOL CORPORATION
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2009

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,000
Buildings	13,007,953
Improvements other than buildings	970,839
Machinery and equipment	4,440,066
Construction in progress	<u>9,386,167</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 27,808,025</u>

OAK HILL UNITED SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
June 30, 2009

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Oak Hill School Building Corporation Bonds of 1999	\$ 2,176,329	\$ 465,000
Oak Hill School Building Corporation Bonds of 2006	10,000,000	208,668
Oak Hill School Building Corporation Bonds of 2007	610,000	241,333
Energy Savings	181,849	96,964
Notes and loans payable:		
Common School Fund Loans	<u>92,433</u>	<u>32,202</u>
Total governmental activities debt	<u>\$ 13,060,611</u>	<u>\$ 1,044,167</u>

OAK HILL UNITED SCHOOL CORPORATION
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn as follows:

<u>Fund</u>	<u>June 30, 2008</u>	<u>June 30, 2009</u>
Special Education Preschool	\$ 18,388	\$ 919
PL 105-17 IDEA 2007-08	34,373	-
Construction	648	-
Gifts and Donations	96	-

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF THE OAK HILL UNITED SCHOOL
CORPORATION, GRANT COUNTY, INDIANA

Compliance

We have audited the compliance of the Oak Hill United 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, 2008 and 2009. 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, 2008 and 2009.

Internal Control Over Compliance

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

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

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

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

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

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

STATE BOARD OF ACCOUNTS

January 12, 2010

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

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 06-30-08	Total Federal Awards Expended 06-30-09
U.S. DEPARTMENT OF AGRICULTURE				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553		\$ 25,400	\$ 25,750
National School Lunch Program	10.555		<u>154,317</u>	<u>170,468</u>
Total for federal grantor agency			<u>179,717</u>	<u>196,218</u>
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			
		07-5625	16,425	-
		08-5625	149,445	17,160
		09-5625	<u>-</u>	<u>153,976</u>
Total for cluster			<u>165,870</u>	<u>171,136</u>
Pass-Through Mississinewa Community School Corporation				
Special Education Cluster				
Special Education - Grants to States	84.027			
		14208-021-PN01	249,978	9,537
		14209-021-PN01	<u>-</u>	<u>240,589</u>
Total for program			<u>249,978</u>	<u>250,126</u>
Special Education - Preschool Grants	84.173			
		45707-021-PN01	11,661	627
		45708-021-PN01	9,381	7,810
		45709-021-PN01	<u>-</u>	<u>13,275</u>
Total for program			<u>21,042</u>	<u>21,712</u>
Total for cluster			<u>271,020</u>	<u>271,838</u>
Pass-Through Indiana Department of Education				
State Fiscal Stabilization Fund Cluster				
ARRA - State Fiscal Stabilization Fund (SFSF) - Education State Grants - Recovery Act	84.394		<u>-</u>	<u>383,579</u>
Pass-Through Marion Community Schools				
Career and Technical Education - Basic Grants to States	84.048			
		FY2006-07	1,081	-
		FY2007-08	<u>10,459</u>	<u>-</u>
Total for program			<u>11,540</u>	<u>-</u>
Pass-Through Indiana Department of Education				
Safe and Drug - Free Schools and Communities - State Grants	84.186			
		5625-06	676	1,634
		5625-07	-	700
		08-5625	<u>671</u>	<u>87</u>
Total for program			<u>1,347</u>	<u>2,421</u>
State Grants for Innovative Programs	84.298			
		06-5625	-	7,751
		07-5625	<u>4,914</u>	<u>10,545</u>
Total for program			<u>4,914</u>	<u>18,296</u>
Improving Teacher Quality State Grants	84.367			
		06-5625	1,060	-
		07-5625	34,927	-
		08-5625	<u>-</u>	<u>35,843</u>
Total for program			<u>35,987</u>	<u>35,843</u>
Total for federal grantor agency			<u>490,678</u>	<u>883,113</u>
Total federal awards expended			<u>\$ 670,395</u>	<u>\$ 1,079,331</u>

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

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

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

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

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	Year Ended June 30, 2008	Year Ended June 30, 2009
Child Nutrition Cluster:			
Food Commodities:			
School Breakfast Program	10.553	\$ 3,420	\$ 3,230
National School Lunch Program	10.555	20,779	21,380
Totals for cluster		\$ 24,199	\$ 24,610

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

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

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I, Part A Cluster
State Fiscal Stabilization Fund Cluster

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

OAK HILL UNITED SCHOOL CORPORATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

OAK HILL UNITED SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 12, 2010, with Debra S. Smith, Treasurer; Joel G. Martin, Superintendent of Schools; and Paul Dana Biggs, President of the School Board. The officials concurred with our finding.

The contents of this report were discussed on January 11, 2010, with Sandra K. London, former Treasurer. The official concurred with our finding.