

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

OAK HILL UNITED SCHOOL CORPORATION
GRANT COUNTY, INDIANA

July 1, 2013 to June 30, 2015



FILED

09/14/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debra S. Smith	01-01-13 to 12-31-16
Superintendent of Schools	Joel G. Martin	07-01-13 to 06-30-17
President of the School Board	Douglas A. Daugherty Ryan Smith Scott A. Dubois Scott Deaton	01-01-13 to 12-31-13 01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the Oak Hill United School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free 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 to the financial statement, the School Corporation prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the School Corporation for the period of July 1, 2013 to June 30, 2015.

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, 2013 to June 30, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 28, 2016, 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.


Paul D. Joyce, CPA
State Examiner

June 28, 2016



STATE OF INDIANA
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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 OAK HILL UNITED SCHOOL CORPORATION, GRANT 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 Oak Hill United School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2013 to June 30, 2015, and the related notes to the financial statement, and have issued our report thereon dated June 28, 2016, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

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


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

Compliance and Other Matters

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

June 28, 2016

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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OAK HILL UNITED SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended June 30, 2014 and 2015

Fund	Cash and Investments 07-01-13	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15
General	\$ 1,418,783	\$ 10,155,978	\$ 10,245,359	\$ (30,000)	\$ 1,299,402	\$ 10,118,712	\$ 10,157,134	\$ (19,687)	\$ 1,241,293
Debt Service	1,224,434	1,932,341	1,969,808	-	1,186,967	2,151,327	2,194,186	25,770	1,169,878
Capital Projects	461,085	997,602	1,151,193	6,023	313,517	1,019,997	960,146	8,000	381,368
School Transportation	342,392	765,425	740,214	-	367,603	756,913	707,986	-	416,530
School Bus Replacement	77,986	242,120	176,188	-	143,918	241,809	86,469	-	299,258
Rainy Day	302,705	-	84,902	30,000	247,803	-	69,062	20,000	198,741
Construction	-	-	94,000	94,000	-	-	440,316	2,000,000	1,559,684
Construction - Common School	856	2,217,717	2,800,547	-	(581,974)	4,380,638	3,798,694	-	(30)
School Lunch	59,381	496,722	540,403	-	15,700	536,783	530,638	-	21,845
Textbook Rental	166,326	207,984	147,538	-	226,772	192,461	178,632	-	240,601
Levy Excess	-	-	-	-	-	49	-	-	49
Educational License Plates	2,806	75	2,495	-	386	75	-	-	461
Mental Attitude Scholarships	-	-	-	-	-	1,000	1,000	-	-
Scholarships	1,000	-	-	-	1,000	-	-	-	1,000
Gifts and Donations	1,789	1,632	1,609	-	1,812	7,350	5,641	-	3,521
Central Indiana Ethanol Donation	5,563	-	5,544	-	19	20,000	-	-	20,019
Gifts/Donations - Board Members	-	55	55	-	-	-	-	-	-
High Ability 2011-2012	-	-	-	-	-	31,841	29,480	-	2,361
High Ability 2012-2013	2,614	4,438	7,052	-	-	248	248	-	-
High Ability 2013-2014	-	31,256	28,941	-	2,315	-	2,315	-	-
Education Technology	-	338,250	338,250	-	-	376,051	376,051	-	-
Secured Schools Safety Grant	-	-	11,750	-	(11,750)	17,594	5,844	-	-
Non-English Speaking Programs P.L. 273-1999	818	-	818	-	-	-	-	-	-
School Technology	5,360	5,880	9,668	-	1,572	5,931	5,878	-	1,625
Professional Development Grant 2008-2009	201	-	201	-	-	-	-	-	-
Title I 2014-2015	-	-	-	-	-	138,730	145,215	-	(6,485)
Title I 2012-2013	(6,923)	25,500	18,577	-	-	-	-	-	-
Title I 2013-2014	-	177,844	184,997	-	(7,153)	18,016	10,863	-	-
IDEA Part B 2014-2015	-	-	-	-	-	264,133	283,971	-	(19,838)
IDEA Part B 2012-2013	(36,527)	69,134	32,607	-	-	67	67	-	-
IDEA Part B 2013-2014	-	276,514	288,130	-	(11,616)	24,677	13,061	-	-
Special Education Improvement Grant	(32,685)	69,291	36,606	-	-	-	-	-	-
IDEA TA Grant	-	2,717	2,717	-	-	2,024	2,024	-	-
IDEA Preschool 2014-2015	-	-	-	-	-	7,321	7,321	-	-
IDEA Preschool 2012-2013	-	7,404	7,404	-	-	-	-	-	-
IDEA Preschool 2013-2014	-	9,174	9,175	-	(1)	6,446	6,445	-	-
Improving Teaching Quality, No Child Left, Title II, Part A	(1,176)	40,011	40,547	-	(1,712)	45,271	45,306	-	(1,747)
Title III - Language Instruction	964	-	964	-	-	-	-	-	-
LSTA Grant	-	-	-	-	-	9,974	9,974	-	-
Prepaid Food Trust	8,106	213,598	216,649	-	5,055	230,945	224,916	-	11,084
Payroll Withholding/Clearing	-	2,468,077	2,368,399	-	99,678	2,537,754	2,566,781	-	70,651
Totals	\$ 4,005,858	\$ 20,756,739	\$ 21,563,307	\$ 100,023	\$ 3,299,313	\$ 23,144,137	\$ 22,865,664	\$ 2,034,083	\$ 5,611,869

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

OAK HILL UNITED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

State sources, which 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, which 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.

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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.

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

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

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

Funding Policy and Annual Pension Cost

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

B. Teachers' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 286-3544

Funding Policy and Annual Pension Cost

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

Note 7. Cash Balance Deficits

The financial statements contain some funds with deficits in cash. This is a result of funds being established to account for reimbursable grants. The reimbursements for expenditures made by the School Corporation were not received by June 30, 2014 or 2015.

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

Note 8. *Holding Corporation*

The School Corporation has entered into capital leases 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 years ending June 30, 2014 and 2015, totaled \$1,352,000 and \$999,900, respectively.

Note 9. *Subsequent Event*

On August 10, 2015, a resolution was passed by the School Board to authorize the School Corporation to enter into a capital lease with the Oak Hill School Building Corporation. The lease requires semiannual lease payments through January 15, 2026.

Note 10. *Other Postemployment Benefits*

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

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OTHER INFORMATION - UNAUDITED

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. Additionally, some financial information of the School Corporation can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction
Cash and investments - beginning	\$ 1,418,783	\$ 1,224,434	\$ 461,085	\$ 342,392	\$ 77,986	\$ 302,705	\$ -
Receipts:							
Local sources	73,936	1,932,341	997,349	765,425	242,120	-	-
Intermediate sources	165	-	-	-	-	-	-
State sources	9,715,177	-	88	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	366,700	-	165	-	-	-	-
Total receipts	<u>10,155,978</u>	<u>1,932,341</u>	<u>997,602</u>	<u>765,425</u>	<u>242,120</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	6,304,702	-	-	-	-	-	-
Support services	3,384,949	18,953	579,813	740,214	176,188	84,902	-
Noninstructional services	193,019	-	-	-	-	-	-
Facilities acquisition and construction	-	-	571,380	-	-	-	94,000
Debt services	362,689	1,950,855	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>10,245,359</u>	<u>1,969,808</u>	<u>1,151,193</u>	<u>740,214</u>	<u>176,188</u>	<u>84,902</u>	<u>94,000</u>
Excess (deficiency) of receipts over disbursements	<u>(89,381)</u>	<u>(37,467)</u>	<u>(153,591)</u>	<u>25,211</u>	<u>65,932</u>	<u>(84,902)</u>	<u>(94,000)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	94,000
Sale of capital assets	-	-	6,023	-	-	-	-
Transfers in	-	-	-	-	-	30,000	-
Transfers out	(30,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(30,000)</u>	<u>-</u>	<u>6,023</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>94,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(119,381)</u>	<u>(37,467)</u>	<u>(147,568)</u>	<u>25,211</u>	<u>65,932</u>	<u>(54,902)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,299,402</u>	<u>\$ 1,186,967</u>	<u>\$ 313,517</u>	<u>\$ 367,603</u>	<u>\$ 143,918</u>	<u>\$ 247,803</u>	<u>\$ -</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Construction - Common School	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Mental Attitude Scholarships	Scholarships
Cash and investments - beginning	\$ 856	\$ 59,381	\$ 166,326	\$ -	\$ 2,806	\$ -	\$ 1,000
Receipts:							
Local sources	5,420	220,924	160,393	-	-	-	-
Intermediate sources	-	-	-	-	75	-	-
State sources	-	5,639	47,591	-	-	-	-
Federal sources	-	269,977	-	-	-	-	-
Temporary loans	2,212,297	-	-	-	-	-	-
Other receipts	-	182	-	-	-	-	-
Total receipts	<u>2,217,717</u>	<u>496,722</u>	<u>207,984</u>	<u>-</u>	<u>75</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	147,538	-	-	-	-
Noninstructional services	-	540,403	-	-	-	-	-
Facilities acquisition and construction	2,800,547	-	-	-	2,495	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>2,800,547</u>	<u>540,403</u>	<u>147,538</u>	<u>-</u>	<u>2,495</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(582,830)</u>	<u>(43,681)</u>	<u>60,446</u>	<u>-</u>	<u>(2,420)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(582,830)</u>	<u>(43,681)</u>	<u>60,446</u>	<u>-</u>	<u>(2,420)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ (581,974)</u>	<u>\$ 15,700</u>	<u>\$ 226,772</u>	<u>\$ -</u>	<u>\$ 386</u>	<u>\$ -</u>	<u>\$ 1,000</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Gifts and Donations	Central Indiana Ethanol Donation	Gifts/Donations - Board Members	High Ability 2011-2012	High Ability 2012-2013	High Ability 2013-2014	Education Technology
Cash and investments - beginning	\$ 1,789	\$ 5,563	\$ -	\$ -	\$ 2,614	\$ -	\$ -
Receipts:							
Local sources	1,632	-	55	-	400	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	4,038	31,256	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	338,250
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>1,632</u>	<u>-</u>	<u>55</u>	<u>-</u>	<u>4,438</u>	<u>31,256</u>	<u>338,250</u>
Disbursements:							
Instruction	1,326	4,306	-	-	7,052	28,941	-
Support services	283	-	55	-	-	-	55,290
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	1,238	-	-	-	-	282,960
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>1,609</u>	<u>5,544</u>	<u>55</u>	<u>-</u>	<u>7,052</u>	<u>28,941</u>	<u>338,250</u>
Excess (deficiency) of receipts over disbursements	<u>23</u>	<u>(5,544)</u>	<u>-</u>	<u>-</u>	<u>(2,614)</u>	<u>2,315</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>23</u>	<u>(5,544)</u>	<u>-</u>	<u>-</u>	<u>(2,614)</u>	<u>2,315</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,812</u>	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,315</u>	<u>\$ -</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Professional Development Grant 2008-2009	Title I 2014-2015	Title I 2012-2013	Title I 2013-2014
Cash and investments - beginning	\$ -	\$ 818	\$ 5,360	\$ 201	\$ -	\$ (6,923)	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	5,880	-	-	-	-
Federal sources	-	-	-	-	-	25,500	177,844
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>5,880</u>	<u>-</u>	<u>-</u>	<u>25,500</u>	<u>177,844</u>
Disbursements:							
Instruction	-	818	-	-	-	18,407	183,427
Support services	-	-	-	201	-	170	1,450
Noninstructional services	-	-	-	-	-	-	120
Facilities acquisition and construction	11,750	-	9,668	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>11,750</u>	<u>818</u>	<u>9,668</u>	<u>201</u>	<u>-</u>	<u>18,577</u>	<u>184,997</u>
Excess (deficiency) of receipts over disbursements	<u>(11,750)</u>	<u>(818)</u>	<u>(3,788)</u>	<u>(201)</u>	<u>-</u>	<u>6,923</u>	<u>(7,153)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(11,750)</u>	<u>(818)</u>	<u>(3,788)</u>	<u>(201)</u>	<u>-</u>	<u>6,923</u>	<u>(7,153)</u>
Cash and investments - ending	<u>\$ (11,750)</u>	<u>\$ -</u>	<u>\$ 1,572</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,153)</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	IDEA Part B 2014-2015	IDEA Part B 2012-2013	IDEA Part B 2013-2014	Special Education Improvement Grant	IDEA TA Grant	IDEA Preschool 2014-2015	IDEA Preschool 2012-2013
Cash and investments - beginning	\$ -	\$ (36,527)	\$ -	\$ (32,685)	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	-	69,134	276,514	69,291	2,717	-	7,404
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>69,134</u>	<u>276,514</u>	<u>69,291</u>	<u>2,717</u>	<u>-</u>	<u>7,404</u>
Disbursements:							
Instruction	-	20,402	179,100	36,606	2,717	-	7,404
Support services	-	12,205	109,030	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>32,607</u>	<u>288,130</u>	<u>36,606</u>	<u>2,717</u>	<u>-</u>	<u>7,404</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>36,527</u>	<u>(11,616)</u>	<u>32,685</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>-</u>	<u>36,527</u>	<u>(11,616)</u>	<u>32,685</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,616)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2014
 (Continued)

	IDEA Preschool 2013-2014	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	LSTA Grant	Prepaid Food Trust	Payroll/ Withholding/ Clearing	Totals
Cash and investments - beginning	\$ -	\$ (1,176)	\$ 964	\$ -	\$ 8,106	\$ -	\$ 4,005,858
Receipts:							
Local sources	-	-	-	-	-	-	4,399,995
Intermediate sources	-	-	-	-	-	-	240
State sources	-	-	-	-	-	-	9,809,669
Federal sources	9,174	40,011	-	-	-	-	947,566
Temporary loans	-	-	-	-	-	-	2,550,547
Other receipts	-	-	-	-	213,598	2,468,077	3,048,722
Total receipts	<u>9,174</u>	<u>40,011</u>	<u>-</u>	<u>-</u>	<u>213,598</u>	<u>2,468,077</u>	<u>20,756,739</u>
Disbursements:							
Instruction	7,524	40,547	485	-	-	-	6,843,764
Support services	653	-	479	-	-	-	5,312,373
Noninstructional services	-	-	-	-	-	-	733,542
Facilities acquisition and construction	998	-	-	-	-	-	3,775,036
Debt services	-	-	-	-	-	-	2,313,544
Nonprogrammed charges	-	-	-	-	216,649	2,368,399	2,585,048
Total disbursements	<u>9,175</u>	<u>40,547</u>	<u>964</u>	<u>-</u>	<u>216,649</u>	<u>2,368,399</u>	<u>21,563,307</u>
Excess (deficiency) of receipts over disbursements	<u>(1)</u>	<u>(536)</u>	<u>(964)</u>	<u>-</u>	<u>(3,051)</u>	<u>99,678</u>	<u>(806,568)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	94,000
Sale of capital assets	-	-	-	-	-	-	6,023
Transfers in	-	-	-	-	-	-	30,000
Transfers out	-	-	-	-	-	-	(30,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,023</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1)</u>	<u>(536)</u>	<u>(964)</u>	<u>-</u>	<u>(3,051)</u>	<u>99,678</u>	<u>(706,545)</u>
Cash and investments - ending	<u>\$ (1)</u>	<u>\$ (1,712)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,055</u>	<u>\$ 99,678</u>	<u>\$ 3,299,313</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction
Cash and investments - beginning	\$ 1,299,402	\$ 1,186,967	\$ 313,517	\$ 367,603	\$ 143,918	\$ 247,803	\$ -
Receipts:							
Local sources	75,732	2,151,327	997,422	756,876	241,809	-	-
Intermediate sources	88	-	-	-	-	-	-
State sources	10,041,214	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	1,678	-	22,575	37	-	-	-
Total receipts	<u>10,118,712</u>	<u>2,151,327</u>	<u>1,019,997</u>	<u>756,913</u>	<u>241,809</u>	<u>-</u>	<u>-</u>
Disbursements:							
Instruction	6,497,339	-	-	-	-	-	-
Support services	3,446,685	14,319	608,932	707,986	86,469	69,062	-
Noninstructional services	209,610	-	-	-	-	-	-
Facilities acquisition and construction	-	-	351,214	-	-	-	440,316
Debt services	3,500	2,179,867	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>10,157,134</u>	<u>2,194,186</u>	<u>960,146</u>	<u>707,986</u>	<u>86,469</u>	<u>69,062</u>	<u>440,316</u>
Excess (deficiency) of receipts over disbursements	<u>(38,422)</u>	<u>(42,859)</u>	<u>59,851</u>	<u>48,927</u>	<u>155,340</u>	<u>(69,062)</u>	<u>(440,316)</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	25,770	-	-	-	-	2,000,000
Sale of capital assets	313	-	8,000	-	-	-	-
Transfers in	-	-	-	-	-	20,000	-
Transfers out	(20,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(19,687)</u>	<u>25,770</u>	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>2,000,000</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(58,109)</u>	<u>(17,089)</u>	<u>67,851</u>	<u>48,927</u>	<u>155,340</u>	<u>(49,062)</u>	<u>1,559,684</u>
Cash and investments - ending	<u>\$ 1,241,293</u>	<u>\$ 1,169,878</u>	<u>\$ 381,368</u>	<u>\$ 416,530</u>	<u>\$ 299,258</u>	<u>\$ 198,741</u>	<u>\$ 1,559,684</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Construction - Common School	School Lunch	Textbook Rental	Levy Excess	Educational License Plates	Mental Attitude Scholarships	Scholarships
Cash and investments - beginning	\$ (581,974)	\$ 15,700	\$ 226,772	\$ -	\$ 386	\$ -	\$ 1,000
Receipts:							
Local sources	11,142	227,481	142,632	49	-	1,000	-
Intermediate sources	-	-	-	-	75	-	-
State sources	-	5,298	49,829	-	-	-	-
Federal sources	-	303,802	-	-	-	-	-
Temporary loans	4,369,496	-	-	-	-	-	-
Other receipts	-	202	-	-	-	-	-
Total receipts	<u>4,380,638</u>	<u>536,783</u>	<u>192,461</u>	<u>49</u>	<u>75</u>	<u>1,000</u>	<u>-</u>
Disbursements:							
Instruction	-	-	-	-	-	-	-
Support services	-	-	178,632	-	-	-	-
Noninstructional services	-	530,638	-	-	-	-	-
Facilities acquisition and construction	3,798,694	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,000	-
Total disbursements	<u>3,798,694</u>	<u>530,638</u>	<u>178,632</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>581,944</u>	<u>6,145</u>	<u>13,829</u>	<u>49</u>	<u>75</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>581,944</u>	<u>6,145</u>	<u>13,829</u>	<u>49</u>	<u>75</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ (30)</u>	<u>\$ 21,845</u>	<u>\$ 240,601</u>	<u>\$ 49</u>	<u>\$ 461</u>	<u>\$ -</u>	<u>\$ 1,000</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Gifts and Donations	Central Indiana Ethanol Donation	Gifts/Donations - Board Members	High Ability 2011-2012	High Ability 2012-2013	High Ability 2013-2014	Education Technology
Cash and investments - beginning	\$ 1,812	\$ 19	\$ -	\$ -	\$ -	\$ 2,315	\$ -
Receipts:							
Local sources	7,350	20,000	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	31,841	248	-	-
Federal sources	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	376,051
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>7,350</u>	<u>20,000</u>	<u>-</u>	<u>31,841</u>	<u>248</u>	<u>-</u>	<u>376,051</u>
Disbursements:							
Instruction	5,641	-	-	29,480	248	2,315	-
Support services	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	376,051
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>5,641</u>	<u>-</u>	<u>-</u>	<u>29,480</u>	<u>248</u>	<u>2,315</u>	<u>376,051</u>
Excess (deficiency) of receipts over disbursements	<u>1,709</u>	<u>20,000</u>	<u>-</u>	<u>2,361</u>	<u>-</u>	<u>(2,315)</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,709</u>	<u>20,000</u>	<u>-</u>	<u>2,361</u>	<u>-</u>	<u>(2,315)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 3,521</u>	<u>\$ 20,019</u>	<u>\$ -</u>	<u>\$ 2,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	Secured Schools Safety Grant	Non-English Speaking Programs P.L. 273-1999	School Technology	Professional Development Grant 2008-2009	Title I 2014-2015	Title I 2012-2013	Title I 2013-2014
Cash and investments - beginning	\$ (11,750)	\$ -	\$ 1,572	\$ -	\$ -	\$ -	\$ (7,153)
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	17,594	-	5,931	-	-	-	-
Federal sources	-	-	-	-	138,730	-	18,016
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>17,594</u>	<u>-</u>	<u>5,931</u>	<u>-</u>	<u>138,730</u>	<u>-</u>	<u>18,016</u>
Disbursements:							
Instruction	-	-	-	-	145,215	-	10,198
Support services	-	-	-	-	-	-	586
Noninstructional services	-	-	-	-	-	-	79
Facilities acquisition and construction	5,844	-	5,878	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>5,844</u>	<u>-</u>	<u>5,878</u>	<u>-</u>	<u>145,215</u>	<u>-</u>	<u>10,863</u>
Excess (deficiency) of receipts over disbursements	<u>11,750</u>	<u>-</u>	<u>53</u>	<u>-</u>	<u>(6,485)</u>	<u>-</u>	<u>7,153</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>11,750</u>	<u>-</u>	<u>53</u>	<u>-</u>	<u>(6,485)</u>	<u>-</u>	<u>7,153</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,625</u>	<u>\$ -</u>	<u>\$ (6,485)</u>	<u>\$ -</u>	<u>\$ -</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	IDEA Part B 2014-2015	IDEA Part B 2012-2013	IDEA Part B 2013-2014	Special Education Improvement Grant	IDEA TA Grant	IDEA Preschool 2014-2015	IDEA Preschool 2012-2013
Cash and investments - beginning	\$ -	\$ -	\$ (11,616)	\$ -	\$ -	\$ -	\$ -
Receipts:							
Local sources	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-
Federal sources	264,133	67	24,677	-	2,024	7,321	-
Temporary loans	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>264,133</u>	<u>67</u>	<u>24,677</u>	<u>-</u>	<u>2,024</u>	<u>7,321</u>	<u>-</u>
Disbursements:							
Instruction	174,805	67	7,375	-	2,024	7,321	-
Support services	109,166	-	5,686	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	<u>283,971</u>	<u>67</u>	<u>13,061</u>	<u>-</u>	<u>2,024</u>	<u>7,321</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(19,838)</u>	<u>-</u>	<u>11,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(19,838)</u>	<u>-</u>	<u>11,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ (19,838)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING SOURCES (USES), AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended June 30, 2015
 (Continued)

	IDEA Preschool 2013-2014	Improving Teaching Quality, No Child Left, Title II, Part A	Title III - Language Instruction	LSTA Grant	Prepaid Food Trust	Payroll Withholding/ Clearing	Totals
Cash and investments - beginning	\$ (1)	\$ (1,712)	\$ -	\$ -	\$ 5,055	\$ 99,678	\$ 3,299,313
Receipts:							
Local sources	-	-	-	-	-	-	4,632,820
Intermediate sources	-	-	-	-	-	-	163
State sources	-	-	-	-	-	-	10,151,955
Federal sources	6,446	45,271	-	9,974	-	-	820,461
Temporary loans	-	-	-	-	-	-	4,745,547
Other receipts	-	-	-	-	230,945	2,537,754	2,793,191
Total receipts	<u>6,446</u>	<u>45,271</u>	<u>-</u>	<u>9,974</u>	<u>230,945</u>	<u>2,537,754</u>	<u>23,144,137</u>
Disbursements:							
Instruction	6,445	45,306	-	-	-	-	6,933,779
Support services	-	-	-	9,974	-	-	5,237,497
Noninstructional services	-	-	-	-	-	-	740,327
Facilities acquisition and construction	-	-	-	-	-	-	4,977,997
Debt services	-	-	-	-	-	-	2,183,367
Nonprogrammed charges	-	-	-	-	224,916	2,566,781	2,792,697
Total disbursements	<u>6,445</u>	<u>45,306</u>	<u>-</u>	<u>9,974</u>	<u>224,916</u>	<u>2,566,781</u>	<u>22,865,664</u>
Excess (deficiency) of receipts over disbursements	<u>1</u>	<u>(35)</u>	<u>-</u>	<u>-</u>	<u>6,029</u>	<u>(29,027)</u>	<u>278,473</u>
Other financing sources (uses):							
Proceeds of long-term debt	-	-	-	-	-	-	2,025,770
Sale of capital assets	-	-	-	-	-	-	8,313
Transfers in	-	-	-	-	-	-	20,000
Transfers out	-	-	-	-	-	-	(20,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,034,083</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1</u>	<u>(35)</u>	<u>-</u>	<u>-</u>	<u>6,029</u>	<u>(29,027)</u>	<u>2,312,556</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (1,747)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,084</u>	<u>\$ 70,651</u>	<u>\$ 5,611,869</u>

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OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2015

Government	Accounts Payable	Accounts Receivable
Governmental activities	<u>\$ 1,285,779</u>	<u>\$ 30,342</u>

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Oak Hill School Building Corporation	Bonds of 2006	\$ 897,500	01/15/2007	01/15/2026
Oak Hill School Building corporation	Bonds of 2013	<u>156,500</u>	06/30/2015	12/31/2027
Total of annual lease payments		<u>\$ 1,054,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General Obligation Bonds of 2014	Building Improvements	\$ 1,855,000	\$ 173,550
Common School Loan A1371	Technology Upgrades	13,710	13,779
Common School Loan A0577	Building Improvements at Oak Hill Jr/Sr H.S.	350,000	47,000
Common School Loan A1437	Technology Upgrades	28,220	28,432
Common School Loan A1479	Technology Upgrades	42,270	28,532
Common School Loan A0593	Building Improvements at Oak Hill Jr/Sr H.S.	390,215	47,801
Common School Loan A0585	Building Improvements at Oak Hill Jr/Sr H.S.	375,000	64,500
Common School Loan A1631	Building Improvements	71,857	29,389
Common School Loan A1652	Building Improvements	24,171	8,279
Common School Loan A1696	Building Improvements	100,599	29,677
Common School Loan A1718	Technology Upgrades	104,370	30,789
Common School Loan A0599	Building Improvements	670,700	61,775
Common School Loan A1770	Technology Upgrades	20,625	20,780
Common School Loan A1797	Technology Upgrades	118,320	30,689
Common School Loan A0606	Building Improvements	786,679	71,406
Common School Loan A0611	Building Improvements	1,949,965	176,997
Common School Loan A1838	Technology Upgrades and Building Improvements	134,675	31,200
Common School Loan A1903	Technology Upgrades	155,789	32,555
Common School Loan A0614	Building Improvements	2,000,000	159,296
Common School Loan A1875	Technology Upgrades	<u>63,561</u>	<u>14,725</u>
Totals		<u>\$ 9,255,726</u>	<u>\$ 1,101,150</u>

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2015

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 384,231
Buildings	13,007,953
Improvements other than buildings	17,142,856
Machinery, equipment, and vehicles	4,977,270
Construction in progress	<u>4,750,696</u>
Total capital assets	<u>\$ 40,263,006</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for Each Major Federal Program

We have audited the Oak Hill United 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, 2013 to June 30, 2015. 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, 2013 to June 30, 2015.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-003. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on 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 items 2015-001, 2015-002, and 2015-003 to be material weaknesses.

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

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


Paul D. Joyce, CPA
State Examiner

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

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OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2014 and 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-14	Total Federal Awards Expended 06-30-15
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 2014, FY 2015	\$ 40,215	\$ 40,829
National School Lunch Program	Indiana Department of Education	10.555	FY 2014, FY 2015	262,167	298,036
Total - Child Nutrition Cluster				302,382	338,865
Total - Department of Agriculture				302,382	338,865
<u>Institute of Museum and Library Services</u>					
Grants to States	Indiana State Library	45.310	T14-1-1(33)	-	9,974
Total - Institute of Museum and Library Services				-	9,974
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education-Grants to States	Indiana Department of Education	84.027	14213-021-PN01	69,134	67
			14214-021-PN01	276,514	24,677
			14215-021-PN01	-	264,133
			99914-21-TA01	2,717	2,024
	Indiana Department of Education		A58-3-13DL-1453	69,291	-
Total - Special Education-Grants to States				417,656	290,901
Special Education-Preschool Grants	Indiana Department of Education	84.173	45713-021-PN01	7,404	-
			45714-021-PN01	9,174	6,446
			45715-021-PN01	-	7,321
Total - Special Education-Preschool Grants				16,578	13,767
Total - Special Education Cluster (IDEA)				434,234	304,668
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	13-5625	25,500	-
			14-5625	177,844	18,016
			15-5625	-	138,730
Total - Title I Grants to Local Educational Agencies				203,344	156,746
English Language Acquisition State Grants	DeKalb County Central United School District	84.365	13-5625	964	-
Improving Teacher Quality State Grants	Indiana Department of Education	84.367	P.L. 107-110	40,011	45,271
Total - Department of Education				678,553	506,685
Total federal awards expended				\$ 980,935	\$ 855,524

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

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the years ended June 30, 2014 and 2015. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

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 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-133, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2014 and 2015. This noncash assistance is also included in the federal expenditures presented in the SEFA.

Program Title	Federal CFDA Number	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2015
National School Lunch Program	10.555	\$ 32,405	\$ 35,065

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

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

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

No matters are reportable.

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2015-001 - CASH MANAGEMENT, REPORTING, SPECIAL TESTS AND PROVISIONS - VERIFICATION OF FREE AND REDUCED PRICE APPLICATIONS (NSLP), AND SPECIAL TESTS AND PROVISIONS - PAID LUNCH EQUITY

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 2014, FY 2015

Pass-Through Entity: Indiana Department of Education

Condition

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

Cash Management

The School Corporation had not established a control to ensure that the food service balance was less than or equal to the average expenditures for three months.

Reporting

The Food Service Director prepared and submitted the Sponsor Claims (claims for reimbursement) and a School Food Authority (SFA) Verification Collection Report; however, there was no control in place to determine whether the reports were correct.

Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP)

The Food Service Director performed the verifications; however, there was no control in place to determine whether the verifications performed were correct.

Special Tests and Provisions - Paid Lunch Equity

The Food Service Director calculated the weighted average price for the School Corporation; however, there was no control to ensure the calculation was correct.

Context

Internal control issues were systemic, occurring throughout the audit period.

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

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

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

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

Views of Responsible Officials

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

**FINDING 2015-002 - EQUIPMENT AND REAL PROPERTY MANAGEMENT,
LEVEL OF EFFORT, AND PERIOD OF AVAILABILITY**

Federal Agency: Department of Education

Federal Programs: Special Education - Grants to States, Special Education - Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-021-PN01, A58-3-13DL-1453,
4214-021-PN01, 9914-21-TA01,
14215-021-PN01, 45713-021-PN01,
45714-021-PN01, 45715-021-PN01

Pass-Through Entity: Indiana Department of Education

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Equipment and Real Property Management, Level of Effort, and Period of Availability of Public Funds.

Equipment and Real Property Management

An annual inventory of capital assets was maintained by the School Corporation Treasurer; however, there was no segregation of duties, such as an oversight, review, or approval process to ensure the accuracy of the annual inventory.

Level of Effort - Maintenance of Effort (MOE)

The School Corporation was a member of a Special Education Cooperative (Cooperative). The School Corporation Treasurer independently prepared and submitted to the Cooperative the MOE calculation worksheet. There was no segregation of duties, such as an oversight, review, or approval process to ensure the accuracy of the MOE calculation worksheet.

Period of Availability

When adjusting entries were made, proper oversight was not being performed to ensure the adjustment was created for a transaction that occurred during the period of availability.

Context

Internal control issues were systemic, occurring throughout the audit period.

Criteria

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

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

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

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

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

Views of Responsible Officials

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

FINDING 2015-003 - SUSPENSION AND DEBARMENT

Federal Agency: Department of Education

Federal Programs: Special Education - Grants to States, Special Education - Preschool Grants

CFDA Numbers: 84.027, 84.173

Federal Award Numbers and Years (or Other Identifying Numbers): 14213-021-PN01, A58-3-13DL-1453,
14214-021-PN01, 99914-21-TA01,
14215-021-PN01, 45713-021-PN01,
45714-021-PN01, 45715-021-PN01

Pass-Through Entity: Indiana Department of Education

Condition

Oversight did not exist to ensure that a process was in place to prevent contracts from being awarded to a suspended or debarred party.

Context

The School Corporation had not verified that the contracts awarded during the audit period did not include entities suspended nor debarred from doing work paid for by federal funds, or that a clause or condition was added to the covered transaction.

Criteria

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

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

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 180.300 Subpart C states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the School Corporation. The document is presented as intended by the School Corporation.

Oak Hill United School Corporation

1474 North 800 West - 27 • Box 550 • Converse, Indiana 46919 • Phone: 765.395.3341 • Fax: 765.395.3343
Web Site: www.ohusc.k12.in.us

CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Debra Smith
Contact Phone Number: 765-395-3341

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Cash Management

The Corporation Treasurer will begin checking the month end cash balance of the Food Service Fund as it compares to 3 months average operating expenses each month. Treasurer will begin doing this with the 6/30/16 cash balance and maintain documentation of the results each month.

Reporting

The Food Service Director will begin sending the Sponsor Claim report and supporting documentation to the Administration office each month. The Corporation Deputy Treasurer/Extra-Curricular Treasurer will then review the Sponsor Claim report for accuracy and document such review. This process will begin happening immediately with the next Sponsor Claim report completed by the Food Service Director.

Special Tests and Provisions – Verification of Free and Reduced Price Applications (NSLP)

The Food Service Director shall perform the initial verification of the sample of approved free and reduced price meal applications and then the High School Head Cook will conduct a second review of the sample of approved free and reduced price meal applications for verification of accuracy. The Head Cook will document this review. This procedure will begin happening with the applications on file as of October 1, 2016.

Special Tests and Provisions – Paid Lunch Equity

The Food Service Director shall complete the initial calculation of the school corporation's weighted average price and then she will send the calculation along with supporting documentation to the Administration office. The Corporation Deputy Treasurer/Extra-Curricular Treasurer will then review the calculation and supporting documentation to insure that the calculation was completed by correctly by the Food Service Director and maintain documentation of this review. This procedure will begin immediately with review of the Director's calculation of the weighted average price for the 2016-17 School Year.

Anticipated Completion Date:

Immediately as noted above for each item.

Debra Smith
(Signature)

Treasurer
(Title)

6/28/16
(Date)

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CORRECTIVE ACTION PLAN

FINDING 2015-002

Contact Person Responsible for Corrective Action: Debra Smith
Contact Phone Number: 765-395-3341

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Equipment

The Corporation Treasurer will begin having the Director of Special Services review the annual inventory of capital assets maintained for the Federal Special Education program and document that the inventory as prepared by the Corporation Treasurer is correct. This procedure will begin happening with the 6/30/16 inventory report.

Level of Effort – Maintenance of Effort

The Corporation Treasurer will continue to prepare the annual Maintenance of Effort report. The Treasurer will then submit the report and the supporting documentation to the Corporation Superintendent. The Superintendent will then review the report for accuracy and document his review. The report will then be submitted to the Pass-Through Entity. This procedure will begin happening with the 6/30/16 Maintenance of Effort report preparation.

Period of Availability of Public Funds

All adjusting entries are completed by the Corporation Treasurer. On a monthly basis, the Corporation Treasurer will present a listing of adjusting entries made during the month and the supporting documentation to the Corporation Deputy Treasurer for review of the accuracy of the adjustment. Such review will be documented. This procedure will begin happening with all adjusting entries made for the month of June 2016.

Anticipated Completion Date:

Immediately as noted above for each item.

Debra Smith
(Signature)

Treasurer
(Title)

6/28/16
(Date)



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CORRECTIVE ACTION PLAN

FINDING 2015-003

Contact Person Responsible for Corrective Action: Debra Smith
Contact Phone Number: 765-395-3341

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

Suspension and Debarment Requirements

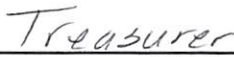
The Corporation Treasurer will begin annually checking the Excluded Parties List System (EPLS) for all contracts awarded for services paid for from federal program funds in an amount of at least \$25,000 during the fiscal years within the audit cycle. The Treasurer will maintain documentation that this review has been completed. This procedure will begin with any contracts entered into as of 7/1/2015 that meet this \$25,000 threshold

Anticipated Completion Date:

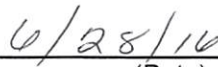
Immediately as noted above for each item.



(Signature)



(Title)



(Date)

OTHER REPORTS

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