

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, 2015 to June 30, 2017



FILED
02/07/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Debra S. Smith	01-01-15 to 12-31-18
Superintendent of Schools	Joel G. Martin	07-01-15 to 06-30-19
President of the School Board	Scott A. Dubois Scott Deaton Dr. Lori Goss-Reaves	01-01-15 to 12-31-15 01-01-16 to 12-31-17 01-01-18 to 12-31-18



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

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the School Corporation for the period of July 1, 2015 to June 30, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 18, 2018, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

December 18, 2018



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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, 2015 to June 30, 2017, and the related notes to the financial statement, and have issued our report thereon dated December 18, 2018, wherein we noted the School Corporation followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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

December 18, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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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, 2016 and 2017

Fund	Cash and Investments 07-01-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-17
General	\$ 1,241,293	\$ 10,618,677	\$ 10,623,698	\$ (11,987)	\$ 1,224,285	\$ 10,799,690	\$ 11,034,317	\$ (20,000)	\$ 969,658
Debt Service	1,169,878	2,845,798	2,460,682	-	1,554,994	2,882,731	2,661,219	-	1,776,506
Capital Projects	381,368	1,001,472	1,139,414	2,488	245,914	1,000,245	999,635	4,218	250,742
School Transportation	416,530	753,886	819,940	1,704	352,180	788,268	771,425	-	369,023
School Bus Replacement	299,258	242,339	224,238	-	317,359	248,130	250,825	-	314,664
Rainy Day	198,741	-	83,223	12,000	127,518	-	35,729	20,000	111,789
Construction	1,559,684	-	1,432,036	50,000	177,648	-	122,984	-	54,664
Construction - Common School	(30)	3,050,608	3,079,086	-	(28,508)	2,988,807	2,936,620	-	23,679
School Lunch	21,845	528,797	515,283	-	35,359	504,728	474,849	-	65,238
Textbook Rental	240,601	202,792	318,995	-	124,398	385,647	273,228	-	236,817
Levy Excess	49	1,655	-	(1,704)	-	-	-	-	-
Educational License Plates	461	94	-	-	555	56	-	-	611
Early Intervention Grant	-	-	-	-	-	8,759	7,553	-	1,206
Comp Counsel Initiative Grant	-	-	-	-	-	30,000	17,983	-	12,017
Scholarships	1,000	-	1,000	-	-	-	-	-	-
Gifts and Donations	3,521	21,255	5,734	-	19,042	5,400	12,905	-	11,537
Central Indiana Ethanol Donation	20,019	-	7,905	-	12,114	-	6,811	-	5,303
Formative Assessment	-	4,656	4,656	-	-	22,289	22,289	-	-
High Ability Grant 2014-15	2,361	-	2,361	-	-	-	-	-	-
High Ability Grant 2015-16	-	32,636	28,463	-	4,173	-	4,173	-	-
High Ability Grant 2016-17	-	-	-	-	-	32,341	27,132	-	5,209
Computer Consortium/Ed Tech Advance	-	219,519	219,519	-	-	144,253	144,253	-	-
STAA Loan - Elearning	-	-	-	-	-	40,360	40,360	-	-
Secured Schools Safety Grant	-	17,318	28,790	-	(11,472)	11,472	-	-	-
School Technology	1,625	6,564	6,485	-	1,704	8,468	6,564	-	3,608
Career and Technical Performance Grant	-	-	-	-	-	5,027	3,052	-	1,975
Indiana Youth Institute	-	-	-	-	-	629	-	-	629
IPEP Grant	-	-	-	-	-	6,400	6,400	-	-
Title I 2014-2015	(6,485)	25,606	19,121	-	-	-	-	-	-
Title I 2016-2017	-	-	-	-	-	124,646	131,104	-	(6,458)
Title I 2015-2016	-	140,576	147,727	-	(7,151)	20,862	13,711	-	-
IDEA Part B 2015-2016	-	272,075	284,325	-	(12,250)	40,213	27,963	-	-
IDEA Part B 2014-2015	(19,838)	45,240	25,402	-	-	-	-	-	-
IDEA Part B 2016-2017	-	-	-	-	-	283,773	297,354	-	(13,581)
IDEA - TA Grant	-	1,669	1,669	-	-	-	-	-	-
IDEA Preschool 2015-2016	-	12,068	14,813	-	(2,745)	3,556	811	-	-
IDEA Preschool 2014-2015	-	8,266	8,266	-	-	-	-	-	-
IDEA Preschool 2016-2017	-	-	-	-	-	10,144	16,174	-	(6,030)
Improving Teacher Quality, No Child Left, Title II, Part A	(1,747)	41,123	46,492	-	(7,116)	33,499	28,033	-	(1,650)
Prepaid Food Trust	11,084	231,523	230,410	-	12,197	220,924	220,361	-	12,760
Payroll Withholding / Clearing	70,651	2,779,810	2,771,640	-	78,821	2,793,525	2,783,758	-	88,588
Totals	\$ 5,611,869	\$ 23,106,022	\$ 24,551,373	\$ 52,501	\$ 4,219,019	\$ 23,444,842	\$ 23,379,575	\$ 4,218	\$ 4,288,504

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

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

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

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

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

E. Disbursements

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

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

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

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

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

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

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

F. Other Financing Sources and Uses

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

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

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

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

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

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

B. Teachers' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

C. Additional Pension Plan

The School Corporation also contributes to a 401(a) plan for its certified, administrative, and professional employees. Information regarding this plan may be obtained from the School Corporation.

Note 7. Cash Balance Deficits

The financial statement contains 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, 2016 and 2017.

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

Note 8. Holding Corporations

The School Corporation has entered into two 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, 2016 and 2017, totaled \$1,058,000 and \$1,041,000, respectively.

Note 9. Subsequent Events

The School Corporation executed a \$4,900,000 Equipment Lease Purchase in August 2017 for a lighting and solar panel project at the junior-senior high school. Repayment of principal and interest in the amount of \$6,731,803 will begin with the payment due January 15, 2018.

The School Corporation closed on six Common School Loans during the period subsequent to June 30, 2017, totaling \$4,417,576 in principal for multiple projects, such as renovations and improvements at Converse and Sweetser Elementary Schools and Oak Hill Junior-Senior High School and purchase of technology and makerspace materials. Repayments of principal and interest in the amount of \$6,336,513 will begin with the payment due January 1, 2018.

Note 10. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits:

- A. Certified employees who were hired before July 1, 2001, are provided a retirement bridge pay benefit if they retire between the ages of 56 and 62. This benefit is based on 16.8 percent of the eligible teacher's base salary at the year of their early retirement and is offset by value of the School Corporation contributions to the employee's 401(a). The employee may receive this annual benefit each year until they reach age 62 with a maximum of five years. Any benefit received from this provision is contributed to the employee's post-separation 403(b).
- B. Certified employees or administrators who were hired before July 1, 2001, and who leave the School Corporation after ten years of service are eligible for severance benefits based on unused sick leave, personal leave, and years of service. Severance benefits are limited to a maximum of \$12,000 and are offset by the value of School Corporation contributions to the employee's 401(a). Any benefit received from this provision is contributed to the employee's 403(b).
- C. Non-certified employees who retire and are at least 50 years of age with 15 years of experience are eligible for severance benefits based on unused sick leave, personal leave, and years of service. Any benefit received from this provision is contributed to the employee's post separation 403(b).
- D. Non-certified employees who resign and have a minimum of 15 years of experience are eligible for severance benefits based on unused sick leave and personal leave. Any benefit received from this provision is contributed to the employee's post separation 403(b).

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

E. Certified employees or administrators who retire prior to receiving full Medicare benefits under Plan A may continue on the School Corporation's group health insurance. The School Corporation will contribute toward the health insurance premium the same rate of support provided for single plan coverage for active teachers in effect at the time of retirement. This provision ends when the retiree receives full Medicare benefits under Plan A or upon the death of the retiree, whichever occurs first.

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.

OTHER INFORMATION - UNAUDITED

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

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

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

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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, 2016

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	Construction - Common School	School Lunch
Cash and investments - beginning	\$ 1,241,293	\$ 1,169,878	\$ 381,368	\$ 416,530	\$ 299,258	\$ 198,741	\$ 1,559,684	\$ (30)	\$ 21,845
Receipts:									
Local sources	70,158	2,845,798	999,941	753,752	242,339	-	-	-	230,251
Intermediate sources	228	-	-	-	-	-	-	-	-
State sources	10,426,393	-	-	-	-	-	-	-	5,777
Federal sources	-	-	-	-	-	-	-	-	292,559
Temporary loans	-	-	-	-	-	-	-	3,050,608	-
Other receipts	121,898	-	1,531	134	-	-	-	-	210
Total receipts	10,618,677	2,845,798	1,001,472	753,886	242,339	-	-	3,050,608	528,797
Disbursements:									
Instruction	6,651,292	-	-	-	-	-	-	-	-
Support services	3,644,864	19,783	649,995	819,940	224,238	83,223	-	-	-
Noninstructional services	215,174	-	-	-	-	-	-	-	515,283
Facilities acquisition and construction	-	-	489,419	-	-	-	1,432,036	3,079,086	-
Debt service	112,368	2,440,899	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	10,623,698	2,460,682	1,139,414	819,940	224,238	83,223	1,432,036	3,079,086	515,283
Excess (deficiency) of receipts over disbursements	(5,021)	385,116	(137,942)	(66,054)	18,101	(83,223)	(1,432,036)	(28,478)	13,514
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	50,000	-	-
Sale of capital assets	13	-	2,488	-	-	-	-	-	-
Transfers in	-	-	1,986	1,704	-	12,000	-	-	-
Transfers out	(12,000)	-	(1,986)	-	-	-	-	-	-
Total other financing sources (uses)	(11,987)	-	2,488	1,704	-	12,000	50,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,008)	385,116	(135,454)	(64,350)	18,101	(71,223)	(1,382,036)	(28,478)	13,514
Cash and investments - ending	\$ 1,224,285	\$ 1,554,994	\$ 245,914	\$ 352,180	\$ 317,359	\$ 127,518	\$ 177,648	\$ (28,508)	\$ 35,359

OAK HILL UNITED SCHOOL CORPORATION
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 For the Year Ended June 30, 2016

	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant	Comp Counsel Initiative Grant	Scholarships	Gifts and Donations	Central Indiana Ethanol Donation	Formative Assessment
Cash and investments - beginning	\$ 240,601	\$ 49	\$ 461	\$ -	\$ -	\$ 1,000	\$ 3,521	\$ 20,019	\$ -
Receipts:									
Local sources	154,891	1,655	-	-	-	-	21,255	-	-
Intermediate sources	-	-	94	-	-	-	-	-	-
State sources	47,901	-	-	-	-	-	-	-	4,656
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>202,792</u>	<u>1,655</u>	<u>94</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,255</u>	<u>-</u>	<u>4,656</u>
Disbursements:									
Instruction	-	-	-	-	-	-	5,121	1,105	-
Support services	318,995	-	-	-	-	-	613	-	4,656
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	6,800	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,000	-	-	-
Total disbursements	<u>318,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>5,734</u>	<u>7,905</u>	<u>4,656</u>
Excess (deficiency) of receipts over disbursements	<u>(116,203)</u>	<u>1,655</u>	<u>94</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>15,521</u>	<u>(7,905)</u>	<u>-</u>
Other financing sources (uses):									
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(1,704)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(1,704)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(116,203)</u>	<u>(49)</u>	<u>94</u>	<u>-</u>	<u>-</u>	<u>(1,000)</u>	<u>15,521</u>	<u>(7,905)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 124,398</u>	<u>\$ -</u>	<u>\$ 555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,042</u>	<u>\$ 12,114</u>	<u>\$ -</u>

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
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 For the Year Ended June 30, 2016

	High Ability Grant 2014-15	High Ability Grant 2015-16	High Ability Grant 2016-17	Computer Consortium/ Ed Tech Advance	STAA Loan - Elearning	Secured Schools Safety Grant	School Technology	Career and Technical Performance Grant
Cash and investments - beginning	\$ 2,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,625	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	32,636	-	-	-	17,318	6,564	-
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	219,519	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	32,636	-	219,519	-	17,318	6,564	-
Disbursements:								
Instruction	2,361	28,463	-	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	219,519	-	28,790	6,485	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	2,361	28,463	-	219,519	-	28,790	6,485	-
Excess (deficiency) of receipts over disbursements	(2,361)	4,173	-	-	-	(11,472)	79	-
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	(2,361)	4,173	-	-	-	(11,472)	79	-
Cash and investments - ending	\$ -	\$ 4,173	\$ -	\$ -	\$ -	\$ (11,472)	\$ 1,704	\$ -

OAK HILL UNITED SCHOOL CORPORATION
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	Indiana Youth Institute	IPEP Grant	Title I 2014-2015	Title I 2016-2017	Title I 2015-2016	IDEA Part B 2015-2016	IDEA Part B 2014-2015	IDEA Part B 2016-2017
Cash and investments - beginning	\$ -	\$ -	\$ (6,485)	\$ -	\$ -	\$ -	\$ (19,838)	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-
Federal sources	-	-	25,606	-	140,576	272,075	45,240	-
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	25,606	-	140,576	272,075	45,240	-
Disbursements:								
Instruction	-	-	19,121	-	147,727	175,237	19,191	-
Support services	-	-	-	-	-	109,088	6,211	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	-	19,121	-	147,727	284,325	25,402	-
Excess (deficiency) of receipts over disbursements	-	-	6,485	-	(7,151)	(12,250)	19,838	-
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	-	-	6,485	-	(7,151)	(12,250)	19,838	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (7,151)	\$ (12,250)	\$ -	\$ -

OAK HILL UNITED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2016

	IDEA - TA Grant	IDEA Preschool 2015-2016	IDEA Preschool 2014-2015	IDEA Preschool 2016-2017	Improving Teacher Quality, No Child Left, Title II, Part A	Prepaid Food Trust	Payroll Withholding / Clearing	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (1,747)	\$ 11,084	\$ 70,651	\$ 5,611,869
Receipts:								
Local sources	-	-	-	-	-	-	-	5,320,040
Intermediate sources	-	-	-	-	-	-	-	322
State sources	-	-	-	-	-	-	-	10,541,245
Federal sources	1,669	12,068	8,266	-	41,123	-	-	839,182
Temporary loans	-	-	-	-	-	-	-	3,270,127
Other receipts	-	-	-	-	-	231,523	2,779,810	3,135,106
Total receipts	1,669	12,068	8,266	-	41,123	231,523	2,779,810	23,106,022
Disbursements:								
Instruction	1,669	14,813	8,266	-	46,492	-	-	7,120,858
Support services	-	-	-	-	-	-	-	5,881,606
Noninstructional services	-	-	-	-	-	-	-	730,457
Facilities acquisition and construction	-	-	-	-	-	-	-	5,262,135
Debt service	-	-	-	-	-	-	-	2,553,267
Nonprogrammed charges	-	-	-	-	-	230,410	2,771,640	3,003,050
Total disbursements	1,669	14,813	8,266	-	46,492	230,410	2,771,640	24,551,373
Excess (deficiency) of receipts over disbursements	-	(2,745)	-	-	(5,369)	1,113	8,170	(1,445,351)
Other financing sources (uses):								
Proceeds of long-term debt	-	-	-	-	-	-	-	50,000
Sale of capital assets	-	-	-	-	-	-	-	2,501
Transfers in	-	-	-	-	-	-	-	15,690
Transfers out	-	-	-	-	-	-	-	(15,690)
Total other financing sources (uses)	-	-	-	-	-	-	-	52,501
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,745)	-	-	(5,369)	1,113	8,170	(1,392,850)
Cash and investments - ending	\$ -	\$ (2,745)	\$ -	\$ -	\$ (7,116)	\$ 12,197	\$ 78,821	\$ 4,219,019

OAK HILL UNITED SCHOOL CORPORATION
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 For the Year Ended June 30, 2017

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Construction	Construction - Common School	School Lunch
Cash and investments - beginning	\$ 1,224,285	\$ 1,554,994	\$ 245,914	\$ 352,180	\$ 317,359	\$ 127,518	\$ 177,648	\$ (28,508)	\$ 35,359
Receipts:									
Local sources	57,202	2,882,731	995,741	788,205	248,130	-	-	35,840	221,386
Intermediate sources	33	-	-	-	-	-	-	-	-
State sources	10,732,846	-	269	-	-	-	-	-	5,828
Federal sources	-	-	-	-	-	-	-	-	277,334
Temporary loans	-	-	-	-	-	-	-	2,952,967	-
Other receipts	9,609	-	4,235	63	-	-	-	-	180
Total receipts	10,799,690	2,882,731	1,000,245	788,268	248,130	-	-	2,988,807	504,728
Disbursements:									
Instruction	7,074,620	-	-	-	-	-	-	-	-
Support services	3,728,471	12,178	608,586	771,425	250,825	35,729	-	-	-
Noninstructional services	231,226	-	-	-	-	-	-	-	474,849
Facilities acquisition and construction	-	-	391,049	-	-	-	122,984	2,936,620	-
Debt service	-	2,649,041	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	11,034,317	2,661,219	999,635	771,425	250,825	35,729	122,984	2,936,620	474,849
Excess (deficiency) of receipts over disbursements	(234,627)	221,512	610	16,843	(2,695)	(35,729)	(122,984)	52,187	29,879
Other financing sources (uses):									
Sale of capital assets	-	-	4,218	-	-	-	-	-	-
Transfers in	-	-	3,797	-	-	20,000	-	-	-
Transfers out	(20,000)	-	(3,797)	-	-	-	-	-	-
Total other financing sources (uses)	(20,000)	-	4,218	-	-	20,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(254,627)	221,512	4,828	16,843	(2,695)	(15,729)	(122,984)	52,187	29,879
Cash and investments - ending	\$ 969,658	\$ 1,776,506	\$ 250,742	\$ 369,023	\$ 314,664	\$ 111,789	\$ 54,664	\$ 23,679	\$ 65,238

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	Textbook Rental	Levy Excess	Educational License Plates	Early Intervention Grant	Comp Counsel Initiative Grant	Scholarships	Gifts and Donations	Central Indiana Ethanol Donation	Formative Assessment
Cash and investments - beginning	\$ 124,398	\$ -	\$ 555	\$ -	\$ -	\$ -	\$ 19,042	\$ 12,114	\$ -
Receipts:									
Local sources	339,532	-	-	-	30,000	-	5,400	-	-
Intermediate sources	-	-	56	-	-	-	-	-	-
State sources	46,115	-	-	8,759	-	-	-	-	22,289
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>385,647</u>	<u>-</u>	<u>56</u>	<u>8,759</u>	<u>30,000</u>	<u>-</u>	<u>5,400</u>	<u>-</u>	<u>22,289</u>
Disbursements:									
Instruction	-	-	-	7,553	-	-	12,905	5,411	-
Support services	273,228	-	-	-	17,983	-	-	-	22,289
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	1,400	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>273,228</u>	<u>-</u>	<u>-</u>	<u>7,553</u>	<u>17,983</u>	<u>-</u>	<u>12,905</u>	<u>6,811</u>	<u>22,289</u>
Excess (deficiency) of receipts over disbursements	<u>112,419</u>	<u>-</u>	<u>56</u>	<u>1,206</u>	<u>12,017</u>	<u>-</u>	<u>(7,505)</u>	<u>(6,811)</u>	<u>-</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>112,419</u>	<u>-</u>	<u>56</u>	<u>1,206</u>	<u>12,017</u>	<u>-</u>	<u>(7,505)</u>	<u>(6,811)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 236,817</u>	<u>\$ -</u>	<u>\$ 611</u>	<u>\$ 1,206</u>	<u>\$ 12,017</u>	<u>\$ -</u>	<u>\$ 11,537</u>	<u>\$ 5,303</u>	<u>\$ -</u>

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	High Ability Grant 2014-15	High Ability Grant 2015-16	High Ability Grant 2016-17	Computer Consortium/ Ed Tech Advance	STAA Loan - Elearning	Secured Schools Safety Grant	School Technology	Career and Technical Performance Grant
Cash and investments - beginning	\$ -	\$ 4,173	\$ -	\$ -	\$ -	\$ (11,472)	\$ 1,704	\$ -
Receipts:								
Local sources	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	32,341	-	-	11,472	8,468	5,027
Federal sources	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	144,253	40,360	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	-	32,341	144,253	40,360	11,472	8,468	5,027
Disbursements:								
Instruction	-	4,173	27,132	-	-	-	-	3,052
Support services	-	-	-	-	40,360	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	144,253	-	-	6,564	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	-	4,173	27,132	144,253	40,360	-	6,564	3,052
Excess (deficiency) of receipts over disbursements	-	(4,173)	5,209	-	-	11,472	1,904	1,975
Other financing sources (uses):								
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	-	(4,173)	5,209	-	-	11,472	1,904	1,975
Cash and investments - ending	\$ -	\$ -	\$ 5,209	\$ -	\$ -	\$ -	\$ 3,608	\$ 1,975

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 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2017

	Indiana Youth Institute	IPEP Grant	Title I 2014-2015	Title I 2016-2017	Title I 2015-2016	IDEA Part B 2015-2016	IDEA Part B 2014-2015	IDEA Part B 2016-2017
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ (7,151)	\$ (12,250)	\$ -	\$ -
Receipts:								
Local sources	-	6,400	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-
State sources	629	-	-	-	-	-	-	-
Federal sources	-	-	-	124,646	20,862	40,213	-	283,773
Temporary loans	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	<u>629</u>	<u>6,400</u>	<u>-</u>	<u>124,646</u>	<u>20,862</u>	<u>40,213</u>	<u>-</u>	<u>283,773</u>
Disbursements:								
Instruction	-	-	-	131,104	13,711	17,734	-	179,497
Support services	-	-	-	-	-	10,229	-	117,857
Noninstructional services	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	6,400	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>6,400</u>	<u>-</u>	<u>131,104</u>	<u>13,711</u>	<u>27,963</u>	<u>-</u>	<u>297,354</u>
Excess (deficiency) of receipts over disbursements	<u>629</u>	<u>-</u>	<u>-</u>	<u>(6,458)</u>	<u>7,151</u>	<u>12,250</u>	<u>-</u>	<u>(13,581)</u>
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>629</u>	<u>-</u>	<u>-</u>	<u>(6,458)</u>	<u>7,151</u>	<u>12,250</u>	<u>-</u>	<u>(13,581)</u>
Cash and investments - ending	<u>\$ 629</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,458)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (13,581)</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, 2017

	IDEA - TA Grant	IDEA Preschool 2015-2016	IDEA Preschool 2014-2015	IDEA Preschool 2016-2017	Improving Teacher Quality, No Child Left, Title II, Part A	Prepaid Food Trust	Payroll Withholding / Clearing	Totals
Cash and investments - beginning	\$ -	\$ (2,745)	\$ -	\$ -	\$ (7,116)	\$ 12,197	\$ 78,821	\$ 4,219,019
Receipts:								
Local sources	-	-	-	-	-	-	-	5,610,567
Intermediate sources	-	-	-	-	-	-	-	89
State sources	-	-	-	-	-	-	-	10,874,043
Federal sources	-	3,556	-	10,144	33,499	-	-	794,027
Temporary loans	-	-	-	-	-	-	-	3,137,580
Other receipts	-	-	-	-	-	220,924	2,793,525	3,028,536
Total receipts	-	3,556	-	10,144	33,499	220,924	2,793,525	23,444,842
Disbursements:								
Instruction	-	811	-	16,174	28,033	-	-	7,521,910
Support services	-	-	-	-	-	-	-	5,889,160
Noninstructional services	-	-	-	-	-	-	-	706,075
Facilities acquisition and construction	-	-	-	-	-	-	-	3,609,270
Debt service	-	-	-	-	-	-	-	2,649,041
Nonprogrammed charges	-	-	-	-	-	220,361	2,783,758	3,004,119
Total disbursements	-	811	-	16,174	28,033	220,361	2,783,758	23,379,575
Excess (deficiency) of receipts over disbursements	-	2,745	-	(6,030)	5,466	563	9,767	65,267
Other financing sources (uses):								
Sale of capital assets	-	-	-	-	-	-	-	4,218
Transfers in	-	-	-	-	-	-	-	23,797
Transfers out	-	-	-	-	-	-	-	(23,797)
Total other financing sources (uses)	-	-	-	-	-	-	-	4,218
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	2,745	-	(6,030)	5,466	563	9,767	69,485
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (6,030)	\$ (1,650)	\$ 12,760	\$ 88,588	\$ 4,288,504

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 173,283</u>	<u>\$ 23,823</u>

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF LEASES AND DEBT
June 30, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Oak Hill School Building Corporation	Bonds of 2013	\$ 157,500	06/30/15	12/31/27
Oak Hill School Building Corporation	Bonds of 2015	<u>925,000</u>	12/31/15	12/31/25
Total of annual lease payments		<u>\$ 1,082,500</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	\$ 1,410,000	\$ 262,100
Common School Loan A0611	Building Improvements	1,749,969	168,997
Common School Loan A0577	Building Improvements at Oak Hill Jr/Sr H.S.	283,333	44,333
Common School Loan A0585	Building Improvements at Oak Hill Jr/Sr H.S.	275,000	60,500
Common School Loan A0593	Building Improvements at Oak Hill Jr/Sr H.S.	325,179	45,200
Common School Loan A0599	Building Improvements	600,100	58,951
Common School Loan A0606	Building Improvements	705,994	68,179
Common School Loan A0614	Building Improvements	1,850,000	173,000
Common School Loan A0620	Building Improvements at Swayzee Elementary	1,850,000	173,000
Common School Loan A0621	Upgrade to Track and other Building Improvements at Jr/Sr HS	1,535,496	139,376
Common School Loan A0623	Building Improvements at Swayzee Elementary	1,950,000	177,000
Common School Loan A1631	Building Improvements	14,371	14,443
Common School Loan A1652	Building Improvements	8,057	8,117
Common School Loan A1696	Building Improvements	43,114	29,102
Common School Loan A1718	Technology Upgrades	44,730	30,193
Common School Loan A1797	Technology Upgrades	59,160	30,098
Common School Loan A1838	Technology Upgrades and Building Improvements	74,820	30,601
Common School Loan A1875	Technology Upgrades	35,312	14,442
Common School Loan A1903	Technology Upgrades	93,473	32,015
Common School Loan A1945	Purchase of student iPads and Chromebooks	111,529	32,901
Common School Loan A1978	Purchase of student iPads and charging stations	40,128	20,415
Common School Loan A2895	Salary and benefits for an eLearning Coach	<u>40,359</u>	<u>10,427</u>
Totals		<u>\$ 13,100,124</u>	<u>\$ 1,623,390</u>

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF CAPITAL ASSETS
June 30, 2017

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

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 384,231
Buildings	13,007,953
Improvements other than buildings	30,151,326
Machinery, equipment, and vehicles	5,663,142
Construction in progress	<u>3,023,906</u>
Total capital assets	<u>\$ 52,230,558</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 *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2015 to June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for 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, 2015 to June 30, 2017.

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

Report on Internal Control over Compliance


Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with 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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

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

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

The School Corporation's response to the internal control over compliance 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.

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


Paul D. Joyce, CPA
State Examiner

December 18, 2018

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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.

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
<u>Department of Agriculture</u>							
Child Nutrition Cluster							
School Breakfast Program	Indiana Department of Education	10.553					
			FY 2016	\$ -	\$ 36,634	\$ -	\$ -
			FY 2017	-	-	-	36,114
Total - School Breakfast Program				-	36,634	-	36,114
National School Lunch Program	Indiana Department of Education	10.555					
School Lunch			FY 2016	-	255,925	-	-
School Lunch			FY 2017	-	-	-	241,220
Commodities				-	35,195	-	44,616
Total - National School Lunch Program				-	291,120	-	285,836
Total - Child Nutrition Cluster				-	327,754	-	321,950
Total - Department of Agriculture				-	327,754	-	321,950
<u>Department of Education</u>							
Special Education Cluster (IDEA)							
Special Education_Grants to States	Indiana Department of Education	84.027					
			14215-021-PN01	-	45,240	-	-
			14216-019-PN01	-	272,075	-	40,213
			14217-019-PN01	-	-	-	283,773
			99914-021-TA01	-	1,669	-	-
Total - Special Education_Grants to States				-	318,984	-	323,986
Special Education_Preschool Grants	Indiana Department of Education	84.173					
			45715-021-PN01	-	8,266	-	-
			45716-019-PN01	-	12,068	-	3,555
			45717-019-PN01	-	-	-	10,144
Total - Special Education_Preschool Grants				-	20,334	-	13,699
Total - Special Education Cluster (IDEA)				-	339,318	-	337,685

OAK HILL UNITED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2016 and 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient 06-30-16	Total Federal Awards Expended 06-30-16	Passed Through to Subrecipient 06-30-17	Total Federal Awards Expended 06-30-17
Title I Grants to Local Educational Agencies	Indiana Department of Education	84.010	15-5625	-	25,607	-	-
			16-5625	-	140,576	-	20,859
			17-5625	-	-	-	124,646
Total - Title I Grants to Local Educational Agencies				-	166,183	-	145,505
Supporting Effective Instruction State Grants	Indiana Department of Education	84.367	14-5625	-	17,013	-	-
			15-5625	-	24,110	-	10,414
			16-5625	-	-	-	23,085
Total - Supporting Effective Instruction State Grants				-	41,123	-	33,499
Total - Department of Education				-	546,624	-	516,689
<u>Social Security Administration</u>							
Social Security - Disability Insurance	Social Security Administration	96.001	FY 2016	-	28	-	-
			FY 2017	-	-	-	14
Total - Social Security - Disability Insurance				-	28	-	14
Total - Social Security Administration				-	28	-	14
Total federal awards expended				\$ -	\$ 874,406	-	\$ 838,653

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

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

Note 2. Summary of Significant Accounting Policies

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

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 weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit finding disclosed that is required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Child Nutrition Cluster	Unmodified
Special Education Cluster (IDEA)	Unmodified

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

Auditee qualified as low-risk auditee?	no
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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 2017-001

Subject: Child Nutrition Cluster - Internal Controls
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 2016, FY 2017
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Cash Management, Reporting, Special Tests and Provisions -
Verification of Free and Reduced Price Applications (NSLP),
Special Tests and Provisions - Paid Lunch Equity
Audit Finding: Material Weakness

Repeat Finding

This is a repeat of Finding 2015-001 from the immediately prior audit.

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 three months average expenditures until June 30, 2016.

Reporting

The Food Service Director prepared and submitted the Sponsor Claims (claims for reimbursement) and School Food Authority (SFA) Verification Collection Reports. There was no control in place to determine whether the Sponsor Claims were correct until June 30, 2016. There was no control in place during the audit period to determine whether the School Food Authority (SFA) Verification Collection 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 until June 30, 2016.

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 until June 30, 2016.

Context

The lack of controls over the School Food Authority (SFA) Verification Collection Reports was a systemic issue throughout the audit period. The lack of controls over the other requirements identified above was isolated to the 2015-2016 school year.

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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Cash Management, Reporting, Special Tests and Provisions - Verification of Free and Reduced Price Applications (NSLP), and Special Tests and Provisions - Paid Lunch Equity compliance requirements.

Effect

The failure to establish an effective internal control system placed the School Corporation at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the 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 related to the grant agreement and the 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.

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AUDITEE-PREPARED DOCUMENTS

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



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Debra Smith

Contact Phone Number: 765-395-3341

Status of Audit Finding:

Cash Management

On 6/30/16, the Corporation Treasurer began checking the month end cash balance of the Food Service Fund as it compares to a 3 month average of operating expenses each month. This is now done on a routine basis each month and is documented with the month end cash balance and the date checked on an excel spreadsheet.

Reporting

Each month starting in June 2016, the Food Service Director sends the Sponsor Claim report and supporting documentation to the Administration office. The Corporation Deputy Treasurer/Extra-Curricular Treasurer then reviews the Sponsor Claim report for accuracy and documents that she has reviewed it by signing and dating it. This process continues on a monthly basis. The Food Service Director will print out the School Food Authority (SFA) Verification Collection Report once it is prepared on-line, she will sign the document as the preparer. The Head Cook at the High School will review the preparation of the form and then sign the document as the reviewer. This procedure will begin to be followed during the preparation of the 2018-19 form in December of 2018 and continue to occur moving forward.

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

Beginning with applications on file as of October 1, 2016, the Food Service Director completes the initial verification of the sample of approved free and reduced price meal applications and then the Head Cook at the High School conducts a second review of the sample of the approved free and reduced price meal applications to verify for accuracy. This procedure has continued since the October 1, 2016 date.

Special Tests and Provisions – Paid Lunch Equity

Beginning with the Food Service Director's review of the 2016-17 school year calculation of the weighted average price, the Food Service Director completes the calculation then sends the calculation along with the supporting documentation to the Administration office. The Corporation Deputy Treasurer/Extra-Curricular Treasurer then reviews the calculation and supporting documentation to insure that the calculation was completed correctly by the Food Service Director. The administration office then maintains documentation of the review process. This review process has continued since the 2016-17 school year calculation.

FINDING 2015-002

Fiscal year in which the finding initially occurred: 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Debra Smith

Contact Phone Number: 765-395-3341

Equipment

Beginning with the 6/30/16 inventory report, the Corporation Treasurer completes the annual inventory of capital assets. The inventory is then shared with the building secretary in each building. The building secretary shares the inventory with each teacher/staff member in their building for their review. Any necessary changes to the inventory are made, and then the building secretary completes a final review and notifies the Corporation Treasurer by email that the building inventory is complete and accurate. The Corporation Treasurer also completes an inventory of all capital assets purchased through Federal Special Education Funds. This inventory is then shared with the Director of Special Services and special education teachers for their review. Any necessary changes are made to the inventory and then the Corporation Treasurer is notified by email that the inventory has been reviewed and is complete. This same process is followed for capital assets purchased through Federal Title I Funds. That inventory is completed by the Corporation Treasurer and is reviewed by the Title I teachers. Dated inventory sheets and all emails verifying review of the inventories are kept electronically.

Level of Effort – Maintenance of Effort

Beginning with the Maintenance of Effort report for 6/30/16, the Corporation Treasurer prepares the Maintenance of Effort report. The report and the supporting documentation are then given to the Superintendent for his review. Once the Superintendent has reviewed the report for accuracy he documents his review by signing and dating the document. The report is then submitted to the Pass-Through Entity. This preparation and review process has continued each year.

Period of Availability of Public Funds

Beginning in June 2016, all adjusting entries completed by the Corporation Treasurer are saved to a Google file. The Google file is shared with the Corporation Deputy Treasurer. Each month the Corporation Deputy Treasurer reviews the adjusting entries stored in the Google file for accuracy. Once the monthly adjustments have been reviewed by the Deputy Treasurer, she documents her review by signing and dating on a Google form. The entries and reviews are kept electronically. This process continues monthly.

FINDING 2015-003

Fiscal year in which the finding initially occurred: 2015

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Department of Education

Contact Person Responsible for Corrective Action: Debra Smith

Contact Phone Number: 765-395-3341

Suspension and Debarment Requirements

Beginning with any contracts entered into as of 7/1/2015, the Corporation Treasurer checks the Excluded Parties List System (this has now been replaced with the federal System for Award Management – SAM). The Corporation Treasurer saves the report from the SAM system electronically as documentation that the check has been completed. This process continues on an ongoing basis.

Abra S. Smith

(Signature)

Treasurer / Business Manager

(Title)

12/10/14

(Date)



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 2017-001

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

On June 30, 2016, the Corporation Treasurer began checking the month end cash balance of the Food Service Fund as it compares to a three month average of operating expenses each month. This is now done on a routine basis each month and is documented on an excel spreadsheet with the month end cash balance stated and the date that the balance was checked.

Reporting

Each month starting in June of 2016, the Food Service Director sends the Sponsor claim report and supporting documentation to the Administration office. The Corporation Deputy Treasurer/Extra-Curricular Treasurer then reviews the Sponsor Claim report for accuracy and documents that she has reviewed it by signing and dating it. This process continues on a monthly basis.

The Food Service Director will print out the School Food Authority (SFA) Verification Collection Report once it is prepared on-line. She will sign the document as the preparer, then the Head Cook at the High School will review the preparation of the form and then sign the document as the reviewer. This procedure will begin to be followed during the preparation of the 2018-19 form in December of 2018 and will continue to be followed moving forward.

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

Beginning with the applications on file as of October 1, 2016, the Food Service Director completes the initial verification of the sample of approved free and reduced price meal applications and then the Head Cook at the High School conducts a second review of the sample of the approved free and reduced price meal applications to verify for accuracy. This procedure has continued since October 1, 2016.

Special Tests and Provisions – Paid Lunch Equity

Beginning with the Food Service Director's review of the 2016-17 school year calculation of the weighted average price, the Food Service Director completes the calculation then sends the calculation along with the supporting documentation to the Administration office. The corporation Deputy Treasurer/Extra-Curricular Treasurer then reviews the calculation and supporting documentation to insure that the calculation was completed correctly by the Food Service Director. The administration office then maintains documentation of the review process. This review process began with the 2016-17 school year calculation and continues moving forward.

Anticipated Completion Date: Listed above for each procedure.



(Signature)

Treasurer/Business Manager

(Title)

12/13/18

(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/>.