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# PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL

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## News for Immediate Release

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### **Auditor General DeFoor: Philipsburg-Osceola Area School District Nearly Missed Out on Almost \$600,000 in State Reimbursements**

**HARRISBURG** – The Philipsburg-Osceola Area School District nearly missed out on receiving almost \$600,000 in construction cost reimbursements from the state, according to a new performance audit released today by Auditor General Timothy L. DeFoor.

“School districts that lack internal controls – a problem our auditors see too often – may end up receiving too much or too little state funding,” DeFoor said. “Without this audit, the school district may never have realized it made a sizeable mistake that could have saddled local taxpayers with unnecessary costs.”

Auditors found the school district, which serves residents of Centre and Clearfield counties, failed to file for state reimbursements totaling \$572,583 for costs associated with major construction projects. After auditors raised the issue, the district filed the necessary applications and received the funds last June.

Other audit findings attributed to a lack of internal controls included:

- The district failed to submit other reimbursement applications in a timely fashion, which delayed the receipt of \$460,052 in revenues.
- The district was overpaid a net total of \$28,583 in regular transportation reimbursements due to inaccuracies in the transportation data it reported to the state.
- The district received \$11,834 less than it was entitled to receive for its health services reimbursement for the 2015-16 school year due to underreporting student data.

The audit also noted concerns about the district’s financial position, which declined significantly during the review period. The district experienced rising operating expenditures that exceeded revenue and also transferred more than \$5 million from its General Fund to pay to build a stadium that was unbudgeted.

The audit urges the district to prepare multi-year budgets and to better monitor its costs and revenues.

Review the [Philipsburg-Osceola Area School District audit report](#) and learn more about the Department of the Auditor General online at [www.PaAuditor.gov](http://www.PaAuditor.gov).

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