

# OHIO AUDITOR OF STATE KEITH FABER



## MANAGEMENT LETTER

Indian Hill Exempted Village School District  
Hamilton County  
6855 Drake Road  
Cincinnati, Ohio 45243

To the Board of Education:

We have audited the financial statements of the Indian Hill Exempted Village School District, Hamilton County, Ohio (the District) in accordance with *Government Auditing Standards*, as of and for the year ended June 30, 2018, and have issued our report thereon dated January 24, 2019.

*Government Auditing Standards* require us to report significant internal control deficiencies, fraud (including noncompliance with laws and regulations), and also abuse and noncompliance with contracts and grant agreements that could directly and materially affect the determination of financial statement amounts. We have issued the required report dated January 24, 2019, for the year ended June 30, 2018.

2 CFR Part 200 subpart F requires that we report all material (and certain immaterial) instances of noncompliance, significant deficiencies, and material weaknesses in internal control related to major federal financial assistance programs. We have issued the required report dated January 24, 2019, for the year ended June 30, 2018.

We are also submitting the following comments for your consideration regarding the District's compliance with applicable laws, regulations, grant agreements, contract provisions, and internal control. These comments reflect matters that do not require inclusion in the *Government Auditing Standards* or Single Audit reports. Nevertheless, these comments represent matters for which we believe improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing these recommendations. These comments reflect our continuing desire to assist your government but are only a result of audit procedures performed based on risk assessment procedures and not all deficiencies or weaknesses in controls may have been identified. If you have questions or concerns regarding these comments please contact your regional Auditor of State office.

## NONCOMPLIANCE

### 1. Depositing Timely

**Ohio Rev. Code § 9.38** provides that public money must be deposited with the Fiscal Officer or with the designated depository on the business day next following the day of receipt, if the total amount of such moneys received exceeds one thousand dollars. If the total amount of the public moneys so received does not exceed one thousand dollars, the person shall deposit the moneys on the business day next following the day of receipt, unless the public office of which that person is a public official adopts a policy permitting a different time period, not to exceed three business days next following the day of receipt, for making such deposits, and the person is able to safeguard the moneys until such time as the moneys are deposited. The policy shall include provisions and procedures to safeguard the public moneys until they are deposited.

Seven out of eight (87%) extracurricular activities receipts tested were not deposited timely. The receipt was not deposited until at least three days after the collection date. Failure to deposit public money in a timely manner could reduce accountability over funds.

We recommend that the District ensure that monies received are deposited within the next business day, or that the District adopt a policy permitting a different time period, not to exceed three business days.

### 2. Commercial Paper

**Ohio Rev Code §135.142(A)** states in part that any Board of Education by a two-thirds vote of its members, may authorize the treasurer of the board of education to invest up to forty percent of the interim moneys of the board, available for investment at any one time in commercial paper notes issued by any entity that is defined in division (D) of section 1705.01 of the Revised Code and has assets exceeding five hundred million dollars.

As of June 30, 2018, 43% of the District's unencumbered cash balance was composed of commercial paper.

In addition **Ohio Rev Code §135.142(A)(1)(d)** provides the investment in commercial paper notes of a single issuer shall not exceed in the aggregate five per cent of interim moneys of the board available for investment at the time of purchase.

As of June 30, 2018, the District held four investments in commercial paper of a single issuer which exceed five percent of the District's unencumbered cash balance.

Exceeding the amounts above could result in not having funds available in the event of an unforeseen circumstance.

We recommend the District limit its investment in commercial paper to 40% of total cash and not to exceed 5% of any single issuer of commercial paper.

We intend this report for the information and use of the Board of Education and management.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State  
Columbus, Ohio

January 24, 2019