

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

NORTH MONTGOMERY COMMUNITY SCHOOL CORPORATION

MONTGOMERY COUNTY, INDIANA

July 1, 2018 to June 30, 2020



**FILED**  
04/14/2021



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Audit Result and Comment: Prepaid School Meal Accounts.....	4
Exit Conference.....	5

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Glenda Nice	07-01-18 to 06-30-21
Superintendent of Schools	Dr. Colleen Moran	07-01-18 to 06-30-21
President of the School Board	Karin Kerber-Odle Gary Bohlander	07-01-18 to 12-31-19 01-01-20 to 06-30-21



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF THE NORTH MONTGOMERY COMMUNITY  
SCHOOL CORPORATION, MONTGOMERY COUNTY, INDIANA

This report is supplemental to our audit report of the North Montgomery Community School Corporation (School Corporation), for the period from July 1, 2018 to June 30, 2020. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the School Corporation. It should be read in conjunction with our Financial Statement Audit Report of the School Corporation, which provides our opinions on the School Corporation's financial statement. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

March 26, 2021

NORTH MONTGOMERY COMMUNITY SCHOOL CORPORATION  
AUDIT RESULT AND COMMENT

**PREPAID SCHOOL MEAL ACCOUNTS**

*Condition and Context*

The Treasurer recorded monthly transfers based on meals sold from the Prepaid Food fund to School Lunch fund; however, the balance of the Prepaid Food fund was not properly reconciled to student account balances. The Treasurer was attempting to reconcile the Prepaid Food fund to a student account balances report that only included students with positive balances, but should have used a report that included all account balances. Because the report showed only a portion of all the account balances, an adjustment was recorded each month to reconcile the Prepaid Food fund balance to the detail of student accounts.

*Criteria*

When a student puts money into their individual meal account, it should not be considered income to the child nutrition program until that student goes through the lunch line and charges a meal to their account. Therefore, while money is in the student's individual account, the balance should not be included in Fund 800 School Lunch. A school should set up a clearing account with the fund number of 8400 Prepaid School Lunch Accounts which is included in Chapter 4 of the State Board of Accounts Uniform Compliance Guidelines for Indiana Public School Corporations. When a student brings in a deposit the receipt should be recorded to Fund 8400 using receipt account 1630 Special Functions. After the student has charged meals, you should disburse the amount charged from Fund 8400 using expenditure account 31900 Other Food Services and receipt this into Fund 800 using the Food Services receipt accounts 1611-1623 at the time established in a written school policy to ensure accurate monthly reporting. At this point the receipts are considered program income and should be included on any reports that are required to be completed. Also, on a monthly basis it is required that the balance of Fund 8400 be reconciled with the total of the individual meal accounts. (The School Bulletin and Uniform Compliance Guidelines, February 2019)

NORTH MONTGOMERY COMMUNITY SCHOOL CORPORATION  
EXIT CONFERENCE

The contents of this report were discussed on March 26, 2021, with Glenda Nice, Treasurer; Jim McBee, Director of Business; Dr. Colleen Moran, Superintendent of Schools; Jarrod Zachary, School Board member; and Gary Bohlander, President of the School Board.