

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

SOUTH MONTGOMERY COMMUNITY
SCHOOL CORPORATION
MONTGOMERY COUNTY, INDIANA

July 1, 2018 to June 30, 2020



FILED

05/05/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director of Business and Human Resources	Kristin Charles	07-01-18 to 06-30-21
Superintendent of Schools	Dr. Shawn E. Greiner	07-01-18 to 06-30-21
President of the School Board	Brad Monts	07-01-18 to 06-30-21



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

This report is supplemental to our audit report of the South 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/.

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 Results and Comments contained herein describe the identified reportable instances 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 Results and Comments, incorporated within this report, was not verified for accuracy.

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

April 20, 2021

SOUTH MONTGOMERY COMMUNITY SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The same comment also appeared in the immediately prior Report B52506.

Condition and Context

The financial statement presented in the Financial Statement Audit Report, included the following funds with an overdrawn cash balance at June 30, 2019, and June 30, 2020, that were not related to a reimbursable grant fund.

Fund	Amount Overdrawn As of June 30, 2019	Amount Overdrawn As of June 30, 2020
Clinic Construction Fund	\$ -	\$ 1,638
School Lunch	2,741	-
Joint Operations - Area Vocational Education	2,336	7,520
Fire & Rescue	6,195	10,592
Payroll Clearing	2,171,778	1,053,521

Criteria

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana School Corporations, Chapter 1)

COLLECTION OF AMOUNTS DUE

Condition and Context

The School Corporation did not file for reimbursements from the Indiana Department of Education for the Special Education_Grants to States and Special Education_Preschool Grants in fiscal year 2019-2020. The failure to file these reimbursements resulted in combined negative cash balances at June 30, 2020, of \$648,072 for Special Education Cluster funds.

Criteria

Units have a responsibility to collect amounts owed to the unit pursuant to procedures authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Indiana School Corporations, Chapter 1)

SOUTH MONTGOMERY COMMUNITY SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on April 20, 2021, with Kristin Charles, Director of Business and Human Resources; Dr. Shawn E. Greiner, Superintendent of Schools; Brad Monts, President of the School Board; Mike Tricker, Director of Operations; and Anna Roth, Director of Curriculum/Instruction/Teacher Development.