

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

AUDIT REPORT

OF

MUNCIE COMMUNITY SCHOOLS

DELAWARE COUNTY, INDIANA

July 1, 2007 to June 30, 2009



FILED

03/08/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Mark A. Burkhart	07-01-07 to 06-30-10
Superintendent of Schools	Dr. Marlin B. Creasy Dr. Eric King	07-01-07 to 06-30-08 07-01-08 to 06-30-11
President of the School Board	Julius Anderson Jennifer Abrell	07-01-07 to 06-30-09 07-01-09 to 06-30-10



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE MUNCIE COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Muncie Community Schools (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the pre-scribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated February 4, 2010, 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 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 internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The School Corporation provides postemployment health insurance benefits to eligible retirees. The School Corporation has not provided an actuarial study to determine the School Corporation's annual post employment benefit costs in accordance with GASB Statement 45.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 4, 2010



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE MUNCIE COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Muncie Community Schools (School Corporation), as of and for the years ended June 30, 2008 and 2009, which collectively comprise the School Corporation's basic financial statements and have issued our report thereon dated February 4, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in Finding 2009-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider Finding 2009-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are 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.

We noted certain matters that we reported to management in a separate letter dated January 19, 2010.

The School Corporation's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, school board and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 4, 2010

MUNCIE COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2008

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Totals</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Net (Disbursement) Receipts and Changes in Net Assets</u>
Governmental activities:				
Instruction	\$ 38,500,089	\$ 1,463,678	\$ 1,202,528	\$ (35,833,883)
Support services	21,025,920	1,337,539	2,805,688	(16,882,693)
Noninstructional services	4,110,307	-	-	(4,110,307)
Facilities acquisition and construction	19,284,464	-	-	(19,284,464)
Debt service	15,936,312	-	-	(15,936,312)
Nonprogrammed charges	<u>23,659,066</u>	<u>-</u>	<u>-</u>	<u>(23,659,066)</u>
Total governmental activities	<u>\$ 122,516,158</u>	<u>\$ 2,801,217</u>	<u>\$ 4,008,216</u>	<u>(115,706,725)</u>
General receipts:				
Property taxes				35,331,921
Other local sources				11,158,477
State aid				35,710,703
Bonds and loans				8,000,000
Grants and contributions not restricted to specific programs				12,588,788
Sale of property				8,186
Investment earnings				889,514
Other				<u>442,819</u>
Total general receipts				<u>104,130,408</u>
Change in net assets				(11,576,317)
Net assets - beginning				<u>25,085,438</u>
Net assets - ending				<u>\$ 13,509,121</u>
<u>Assets</u>				
Cash and investments				\$ 6,367,556
Restricted assets:				
Cash and investments				<u>7,141,565</u>
Total assets				<u>\$ 13,509,121</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ 58,394
Other purposes				7,083,171
Unrestricted				<u>6,367,556</u>
Total net assets				<u>\$ 13,509,121</u>

The notes to the financial statements are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For the Year Ended June 30, 2009

<u>Functions/Programs</u>	<u>Disbursements</u>	Program Receipts		<u>Totals</u>
		Charges for Services	Operating Grants and Contributions	
Governmental activities:				Net (Disbursement) Receipts and Changes in Net Assets
Instruction	\$ 36,830,823	\$ 673,911	\$ 1,777,468	\$ (34,379,444)
Support services	22,172,422	1,270,942	2,891,816	(18,009,664)
Noninstructional services	4,226,975	-	-	(4,226,975)
Facilities acquisition and construction	6,446,617	-	-	(6,446,617)
Debt service	15,872,624	-	-	(15,872,624)
Nonprogrammed charges	<u>24,881,084</u>	<u>-</u>	<u>-</u>	<u>(24,881,084)</u>
Total governmental activities	<u>\$ 110,430,545</u>	<u>\$ 1,944,853</u>	<u>\$ 4,669,284</u>	<u>(103,816,408)</u>
General receipts:				
Property taxes				26,905,999
Other local sources				12,313,784
State aid				40,770,252
Grants and contributions not restricted to specific programs				18,060,026
Sale of property				16,850
Investment earnings				234,972
Other				<u>162,780</u>
Total general receipts				<u>98,464,663</u>
Change in net assets				(5,351,745)
Net assets - beginning				<u>13,509,121</u>
Net assets - ending				<u>\$ 8,157,376</u>
<u>Assets</u>				
Cash and investments				\$ 1,971,494
Restricted assets:				
Cash and investments				<u>6,185,882</u>
Total assets				<u>\$ 8,157,376</u>
<u>Net Assets</u>				
Restricted for:				
Debt service				\$ (208,386)
Other purposes				6,394,268
Unrestricted				<u>1,971,494</u>
Total net assets				<u>\$ 8,157,376</u>

The notes to the financial statements are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008

	General	Special Education Preschool	Rainy Day	Cafeteria	2006-2007 Delaware - Blackford Special Education
Receipts:					
Local sources	\$ 17,613,260	\$ 259,607	\$ -	\$ 794,831	\$ 5,579,847
Intermediate sources	96	-	-	-	-
State sources	36,376,564	319,958	-	19,770	-
Federal sources	-	-	-	2,340,603	-
Temporary loans	8,000,000	-	-	-	-
Other	87,141	-	-	-	-
Total receipts	<u>62,077,061</u>	<u>579,565</u>	<u>-</u>	<u>3,155,204</u>	<u>5,579,847</u>
Disbursements:					
Current:					
Instruction	36,588,246	376,568	-	-	682,669
Support services	13,605,151	-	-	116	90,580
Noninstructional services	250,815	-	-	3,200,979	-
Facilities acquisition and construction	-	-	-	-	-
Debt services	8,000,000	-	-	-	-
Nonprogrammed charges	6,412,569	-	-	-	-
Total disbursements	<u>64,856,781</u>	<u>376,568</u>	<u>-</u>	<u>3,201,095</u>	<u>773,249</u>
Excess (deficiency) of receipts over disbursements	<u>(2,779,720)</u>	<u>202,997</u>	<u>-</u>	<u>(45,891)</u>	<u>4,806,598</u>
Other financing sources (uses):					
Sale of capital assets	8,186	-	-	-	-
Transfers in	272,656	-	-	-	-
Transfers out	(149,754)	-	-	-	-
Total other financing sources (uses)	<u>131,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,648,632)</u>	<u>202,997</u>	<u>-</u>	<u>(45,891)</u>	<u>4,806,598</u>
Cash and investments - beginning	<u>12,169,420</u>	<u>153,157</u>	<u>3,000,000</u>	<u>648,607</u>	<u>(4,194,053)</u>
Cash and investments - ending	<u>\$ 9,520,788</u>	<u>\$ 356,154</u>	<u>\$ 3,000,000</u>	<u>\$ 602,716</u>	<u>\$ 612,545</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:					
Internal service funds are used by management to charge the costs of certain services to individual funds. The receipts and disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					
Net assets of governmental activities					
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 9,520,788	\$ 356,154	\$ 3,000,000	\$ 602,716	\$ 612,545
Restricted assets:					
Cash and investments	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 9,520,788</u>	<u>\$ 356,154</u>	<u>\$ 3,000,000</u>	<u>\$ 602,716</u>	<u>\$ 612,545</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	9,520,788	356,154	3,000,000	602,716	612,545
Total cash and investment fund balance - ending	<u>\$ 9,520,788</u>	<u>\$ 356,154</u>	<u>\$ 3,000,000</u>	<u>\$ 602,716</u>	<u>\$ 612,545</u>

The notes to the financial statements are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2008
(Continued)

	Debt Service	School Bus Replacement	2006 Construction	Other	Totals
Receipts:					
Local sources	\$ 9,656,715	\$ 47,081	\$ 245,085	\$ 14,385,045	\$ 48,581,471
Intermediate sources	-	-	-	2,438	2,534
State sources	-	-	-	1,040,388	37,756,680
Federal sources	-	-	-	12,211,362	14,551,965
Temporary loans	-	-	-	-	8,000,000
Other	-	-	-	-	87,141
Total receipts	<u>9,656,715</u>	<u>47,081</u>	<u>245,085</u>	<u>27,639,233</u>	<u>108,979,791</u>
Disbursements:					
Current:					
Instruction	-	-	-	15,106,836	52,754,319
Support services	13,431	159,751	-	7,156,891	21,025,920
Noninstructional services	-	-	-	658,513	4,110,307
Facilities acquisition and construction	-	-	13,127,830	6,156,634	19,284,464
Debt services	7,177,838	-	-	758,474	15,936,312
Nonprogrammed charges	-	-	-	4,025,975	10,438,544
Total disbursements	<u>7,191,269</u>	<u>159,751</u>	<u>13,127,830</u>	<u>33,863,323</u>	<u>123,549,866</u>
Excess (deficiency) of receipts over disbursements	<u>2,465,446</u>	<u>(112,670)</u>	<u>(12,882,745)</u>	<u>(6,224,090)</u>	<u>(14,570,075)</u>
Other financing sources (uses):					
Sale of capital assets	-	-	-	-	8,186
Transfers in	-	-	-	717,373	990,029
Transfers out	<u>(168,129)</u>	<u>-</u>	<u>(20,994)</u>	<u>(651,152)</u>	<u>(990,029)</u>
Total other financing sources (uses)	<u>(168,129)</u>	<u>-</u>	<u>(20,994)</u>	<u>66,221</u>	<u>8,186</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,297,317	(112,670)	(12,903,739)	(6,157,869)	(14,561,889)
Cash and investments - beginning	<u>(1,169,902)</u>	<u>258,341</u>	<u>12,905,402</u>	<u>(2,783,133)</u>	<u>20,987,839</u>
Cash and investments - ending	<u>\$ 1,127,415</u>	<u>\$ 145,671</u>	<u>\$ 1,663</u>	<u>\$ (8,941,002)</u>	<u>6,425,950</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:					
Internal service funds are used by management to charge the costs of certain services to individual funds. The receipts and disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					
					<u>7,083,171</u>
Net assets of governmental activities					<u>\$ 13,509,121</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 1,127,415	\$ 145,671	\$ 1,663	\$ (8,999,396)	\$ 6,367,556
Restricted assets:					
Cash and investments	-	-	-	58,394	58,394
Total cash and investment assets - ending	<u>\$ 1,127,415</u>	<u>\$ 145,671</u>	<u>\$ 1,663</u>	<u>\$ (8,941,002)</u>	<u>\$ 6,425,950</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
Debt service	\$ -	\$ -	\$ -	\$ 58,394	\$ 58,394
Unrestricted	<u>1,127,415</u>	<u>145,671</u>	<u>1,663</u>	<u>(8,999,396)</u>	<u>6,367,556</u>
Total cash and investment fund balance - ending	<u>\$ 1,127,415</u>	<u>\$ 145,671</u>	<u>\$ 1,663</u>	<u>\$ (8,941,002)</u>	<u>\$ 6,425,950</u>

The notes to the financial statements are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	General	Special Education Preschool	Rainy Day	Cafeteria	2006-2007 Delaware- Blackford Special Education	2008-2009 Title I
Receipts:						
Local sources	\$ 14,257,125	\$ 177,694	\$ -	\$ 785,105	\$ -	\$ -
Intermediate sources	96	-	-	-	-	-
State sources	41,618,427	360,280	-	18,986	-	-
Federal sources	-	95	-	2,408,453	-	3,297,121
Other	44,866	-	-	-	-	-
Total receipts	55,920,514	538,069	-	3,212,544	-	3,297,121
Disbursements:						
Current:						
Instruction	32,977,115	506,008	-	-	-	2,495,272
Support services	14,523,491	-	-	136	-	590,861
Noninstructional services	305,154	-	-	3,265,442	-	21,017
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	8,000,000	-	-	-	-	-
Nonprogrammed charges	7,182,653	-	-	-	-	-
Total disbursements	62,988,413	506,008	-	3,265,578	-	3,107,150
Excess (deficiency) of receipts over disbursements	(7,067,899)	32,061	-	(53,034)	-	189,971
Other financing sources (uses):						
Sale of capital assets	16,850	-	-	-	-	-
Transfers in	1,313,556	-	-	-	-	-
Transfers out	-	-	-	-	(612,545)	-
Total other financing sources (uses)	1,330,406	-	-	-	(612,545)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,737,493)	32,061	-	(53,034)	(612,545)	189,971
Cash and investments - beginning	9,520,788	356,154	3,000,000	602,716	612,545	-
Cash and investments - ending	\$ 3,783,295	\$ 388,215	\$ 3,000,000	\$ 549,682	\$ -	\$ 189,971
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because: Internal service funds are used by management to charge the costs of certain services to individual funds. The receipts and disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
Net assets of governmental activities						
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 3,783,295	\$ 388,215	\$ 3,000,000	\$ 549,682	\$ -	\$ 189,971
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 3,783,295	\$ 388,215	\$ 3,000,000	\$ 549,682	\$ -	\$ 189,971
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	3,783,295	388,215	3,000,000	549,682	-	189,971
Total cash and investment fund balance - ending	\$ 3,783,295	\$ 388,215	\$ 3,000,000	\$ 549,682	\$ -	\$ 189,971

The notes to the financial statements are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009
(Continued)

	Fiscal Stabilization Education Stimulus	Debt Service	School Bus Replacement	2006 Construction	Other	Totals
Receipts:						
Local sources	\$ -	\$ 5,997,484	\$ 54,289	\$ 19	\$ 19,408,579	\$ 40,680,295
Intermediate sources	-	-	-	-	2,963	3,059
State sources	-	-	-	-	1,480,864	43,478,557
Federal sources	4,349,095	-	-	-	9,968,281	20,023,045
Other	-	-	-	-	-	44,866
Total receipts	<u>4,349,095</u>	<u>5,997,484</u>	<u>54,289</u>	<u>19</u>	<u>30,860,687</u>	<u>104,229,822</u>
Disbursements:						
Current:						
Instruction	-	-	-	-	13,041,606	49,020,001
Support services	-	14,231	-	-	7,043,703	22,172,422
Noninstructional services	-	-	-	-	635,362	4,226,975
Facilities acquisition and construction	-	-	-	-	6,446,617	6,446,617
Debt services	-	7,105,916	-	-	766,708	15,872,624
Nonprogrammed charges	-	-	-	-	3,988,222	11,170,875
Total disbursements	<u>-</u>	<u>7,120,147</u>	<u>-</u>	<u>-</u>	<u>31,922,218</u>	<u>108,909,514</u>
Excess (deficiency) of receipts over disbursements	<u>4,349,095</u>	<u>(1,122,663)</u>	<u>54,289</u>	<u>19</u>	<u>(1,061,531)</u>	<u>(4,679,692)</u>
Other financing sources (uses):						
Sale of capital assets	-	-	-	-	-	16,850
Transfers in	-	-	-	-	3,495,347	4,808,903
Transfers out	-	(194,786)	-	(1,682)	(3,999,890)	(4,808,903)
Total other financing sources (uses)	<u>-</u>	<u>(194,786)</u>	<u>-</u>	<u>(1,682)</u>	<u>(504,543)</u>	<u>16,850</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>4,349,095</u>	<u>(1,317,449)</u>	<u>54,289</u>	<u>(1,663)</u>	<u>(1,566,074)</u>	<u>(4,662,842)</u>
Cash and investments - beginning	<u>-</u>	<u>1,127,415</u>	<u>145,671</u>	<u>1,663</u>	<u>(8,941,002)</u>	<u>6,425,950</u>
Cash and investments - ending	<u>\$ 4,349,095</u>	<u>\$ (190,034)</u>	<u>\$ 199,960</u>	<u>\$ -</u>	<u>\$ (10,507,076)</u>	<u>1,763,108</u>
Amounts reported for governmental activities in the Statement of Cash Activities and Net Assets - Cash and Investment Basis are different because:						
Internal service funds are used by management to charge the costs of certain services to individual funds. The receipts and disbursements of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						<u>6,394,268</u>
Net assets of governmental activities						<u>\$ 8,157,376</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 4,349,095	\$ -	\$ 199,960	\$ -	\$ (10,488,724)	\$ 1,971,494
Restricted assets:						
Cash and investments	-	(190,034)	-	-	(18,352)	(208,386)
Total cash and investment assets - ending	<u>\$ 4,349,095</u>	<u>\$ (190,034)</u>	<u>\$ 199,960</u>	<u>\$ -</u>	<u>\$ (10,507,076)</u>	<u>\$ 1,763,108</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ (190,034)	\$ -	\$ -	\$ (18,352)	\$ (208,386)
Unrestricted	4,349,095	-	199,960	-	(10,488,724)	1,971,494
Total cash and investment fund balance - ending	<u>\$ 4,349,095</u>	<u>\$ (190,034)</u>	<u>\$ 199,960</u>	<u>\$ -</u>	<u>\$ (10,507,076)</u>	<u>\$ 1,763,108</u>

The notes to the financial statements are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2008

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 15,717,908
Miscellaneous	<u>488,186</u>
Total operating receipts	<u>16,206,094</u>
Operating disbursements:	
Insurance claims and expense	<u>13,220,522</u>
Change in net assets	2,985,572
Cash and investment fund balance - beginning	<u>4,097,599</u>
Cash and investment fund balance - ending	<u>\$ 7,083,171</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 7,083,171</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 7,083,171</u>

The notes to the financial statements are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS, DISBURSEMENTS,
AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUND
For the Year Ended June 30, 2009

	<u>Internal Service Fund</u>
Operating receipts:	
Charges for services	\$ 12,863,089
Miscellaneous	<u>158,217</u>
Total operating receipts	<u>13,021,306</u>
Operating disbursements:	
Insurance claims and expense	121
Other	<u>13,710,088</u>
Total operating disbursements	<u>13,710,209</u>
Change in net assets	(688,903)
Cash and investment fund balance - beginning	<u>7,083,171</u>
Cash and investment fund balance - ending	<u>\$ 6,394,268</u>
<u>Cash and Investment Assets - Ending</u>	
Restricted assets:	
Cash and investments	<u>\$ 6,394,268</u>
<u>Cash and Investment Fund Balance - Ending</u>	
Restricted for:	
Other purposes	<u>\$ 6,394,268</u>

The notes to the financial statements are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2008

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Other	\$ -	\$ 37,712	
Investment earnings:			
Interest	<u>344,371</u>	<u>-</u>	
Total additions	<u>344,371</u>	<u>37,712</u>	
Deductions:			
Administrative and general	<u>-</u>	<u>49,106</u>	
Excess (deficiency) of total additions over total deductions	344,371	(11,394)	
Cash and investment fund balance - beginning	<u>6,300,000</u>	<u>33,515</u>	
Cash and investment fund balance - ending	<u>\$ 6,644,371</u>	<u>\$ 22,121</u>	<u>\$ 687,253</u>
Net assets:			
Cash and investments	<u>\$ 6,644,371</u>	<u>\$ 22,121</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 6,644,371</u>	<u>\$ 22,121</u>	

The notes to the financial statements are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For the Year Ended June 30, 2009

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Other	\$ -	\$ 556	
Deductions:			
Administrative and general	-	3,200	
Deficiency of total additions over total deductions	-	(2,644)	
Cash and investment fund balance - beginning	<u>6,644,371</u>	<u>22,121</u>	
Cash and investment fund balance - ending	<u>\$ 6,644,371</u>	<u>\$ 19,477</u>	<u>\$ 853,001</u>
Net assets:			
Cash and investments	<u>\$ 6,644,371</u>	<u>\$ 19,477</u>	
Total net assets - cash and investment basis held in trust	<u>\$ 6,644,371</u>	<u>\$ 19,477</u>	

The notes to the financial statements are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, 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 School Corporation's financial reporting entity is composed of the following:

Primary Government: Muncie Community Schools

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The School Corporation is a participant with several area schools in a joint venture to operate the Delaware/Blackford Special Education Cooperative which was created to provide special education services. The cooperative's continued existence depends on continued funding by the School Corporation. The School Corporation is obligated for the debts of the Delaware/Blackford Special Education Cooperative. Complete financial statements for the Delaware/Blackford Special Education Cooperative can be obtained from the School Corporation.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

MUNCIE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The special education preschool fund is used to account for the financial resources for the education of preschool age special education students.

The rainy day fund is used to account for funds in accordance with Indiana Code 36-1-8-5.1 and a locally adopted resolution.

The cafeteria fund is used to account for the financial resources for the school breakfast and lunch programs.

The 2006-2007 Delaware - Blackford special education fund is used to account for the financial resources of the special education cooperative.

The 2008-2009 title I fund is used to account for the financial resources of the Title I federal funding.

The fiscal stabilization education stimulus fund accounts for receipts and disbursements of cash received from the federal government to be used to supplement funding of local, state, and federal programs.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

The 2006 construction fund is used to account for the construction of various buildings.

Additionally, the School Corporation reports the following fund types:

The internal service fund accounts for receipts and disbursements for employees health insurance benefits.

The pension trust funds account for the activities of the retirement/severance bond fund, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the students.

Agency funds account for assets held by the School Corporation as an agent for withholding authorities.

MUNCIE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). There is one internal service fund for self-insurance. This fund is supported by employee contributions through payroll deductions and school corporation contributions. The School Corporation does not have any enterprise funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. 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 March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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 become delinquent if not paid by May 10 and November 10, respectively. Due to property tax reassessment, property tax distributions originally due by June 30, 2009 were not received until November 2009.

MUNCIE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

MUNCIE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

MUNCIE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Cash and Investment Balance Deficits

At June 30, 2008 and 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2008	2009
Transportation Operating	\$ 337,278	\$ 259,495
Textbook Rental	-	192,977
2007-2008 Delaware-Blackford Special Education	5,605,001	-
2008-2009 Delaware-Blackford Special Education	-	5,608,303
2007-2008 Vocational Co-op	932,499	-
2008-2009 Vocational Co-op	-	1,007,490
2007-2008 Opportunity School	543,829	
2008-2009 Opportunity School		545,281
2007-2008 Title I, Part D Negl/Delq	188,895	-
2007-2008 IDEA Pass-Through	975,000	-
2008-2009 IDEA Pass-Through	-	400,000
Capital Projects	1,183,302	3,527,976
Facility Construction/Repair	-	225,613
2007-2008 Title IIA CSR	237,433	-
Debt Service	-	190,034

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

MUNCIE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2008 and 2009, were as follows:

Transfer From	Transfer To	2008	2009
General	Other governmental funds	\$ 149,754	\$ -
2006-2007 Delaware - Blackford County Special Education	General	-	612,545
2006 Construction	Other governmental funds	20,994	1,682
Debt Service	Other governmental funds	168,129	194,786
Other governmental funds	General	272,656	701,011
Other governmental funds	Other governmental funds	378,496	3,298,879
Totals		<u>\$ 990,029</u>	<u>\$ 4,808,903</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The School Corporation is 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 (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees and Dependents

The School Corporation has chosen to establish a risk financing fund for risks associated with medical benefits. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$100,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for payroll. The total charge allocated to each of the funds is calculated using actual claims experience. Provisions are also made for unexpected and unusual claims.

MUNCIE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Holding Corporation

The School Corporation has entered into capital leases with Muncie 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 ended June 30, 2008, and June 30, 2009, totaled \$6,977,191 and \$6,961,351, respectively.

C. Termination Benefits

During the current year, the School Corporation offered to all employees who retire from the School Corporation on or after attaining age 55 with at least 15 years of service cash incentive early retirement benefits, as authorized by Indiana Code 5-10-8. During the years ended June 30, 2008, and June 30, 2009, \$160,829 and \$158,633 were recognized, respectively, for postemployment benefits.

D. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

The Self-Insurance Healthcare Plan is a single-employer defined benefit healthcare plan administered by the School Corporation. The plan provides health insurance benefits to eligible retirees and their spouses. The master contract assigns the authority to establish and amend benefit provisions to the School Corporation.

Funding Policy

The contribution requirements of plan members for the Self-Insurance Healthcare Plan are established by the School Corporation's Board of Trustees. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended June 30, 2009, the School Corporation contributed \$1,662,110 to the plan for current premiums or approximately 67% of total premiums. Plan members receiving benefits contributed \$829,519, or approximately 33% of the total premiums, through their required contribution of \$250 to \$357 per year for retiree-only coverage and from \$1,427 to \$3,189 for family coverage.

E. Stimulus Funding

The School Corporation was awarded an ARRA State Fiscal Stabilization grant award in the amount of \$6,588,499. As of December 31, 2008, the School Corporation has received \$2,279,717.

MUNCIE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Pension Plans

1. Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 733,653
Interest on net pension obligation	(73,346)
Adjustment to annual required contribution	83,584
Annual pension cost	743,891
Contributions made	673,606
Decrease in net pension obligation	70,285
Net pension obligation, beginning of year	(1,011,675)
Net pension obligation, end of year	\$ (941,390)

MUNCIE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF
Contribution rates:	
School Corporation	7.25%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

<u>Actuarial Assumptions</u>	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 650,221	91%	\$ (1,078,578)
	06-30-07	700,638	90%	(1,011,675)
	06-30-08	743,891	91%	(941,390)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), 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 TRF Board, most requirements of the system and gives the School Corporation authority

MUNCIE COMMUNITY SCHOOLS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 member's contributions, set by state statute at 3% 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.

TRF 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:

Teachers' Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

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.

The School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2009, 2008, and 2007, were \$1,431,964, \$1,431,343, and \$1,303,810, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years.

MUNCIE COMMUNITY SCHOOLS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 12,261,465	\$ 13,657,066	\$ (1,395,601)	90%	\$ 9,324,297	(15%)
07-01-07	13,540,412	15,164,732	(1,624,320)	89%	9,502,997	(17%)
07-01-08	14,084,539	15,854,131	(1,769,592)	89%	9,602,843	(18%)

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008

	Transportation Operating	Textbook Rental	2005-2006 Delaware - Blackford Special Education	2007-2008 Delaware - Blackford Special Education	2006-2007 Vocational Co-Op	2007-2008 Vocational Co-Op
Receipts:						
Local sources	\$ 3,597,454	\$ 239,486	\$ 86	\$ 43,407	\$ 1,174,736	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	430,305	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	3,597,454	669,791	86	43,407	1,174,736	-
Disbursements:						
Current:						
Instruction	-	635,858	-	4,991,865	148,112	932,499
Support services	2,879,459	-	-	656,543	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	2,879,459	635,858	-	5,648,408	148,112	932,499
Excess (deficiency) of receipts over disbursements	717,995	33,933	86	(5,605,001)	1,026,624	(932,499)
Other financing sources (uses):						
Transfers in	-	317,883	-	-	-	-
Transfers out	-	-	(6,180)	-	(165,758)	-
Total other financing sources (uses)	-	317,883	(6,180)	-	(165,758)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	717,995	351,816	(6,094)	(5,605,001)	860,866	(932,499)
Cash and investments - beginning	(1,055,273)	(231,296)	6,094	-	(860,866)	-
Cash and investments - ending	\$ (337,278)	\$ 120,520	\$ -	\$ (5,605,001)	\$ -	\$ (932,499)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (337,278)	\$ 120,520	\$ -	\$ (5,605,001)	\$ -	\$ (932,499)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (337,278)	\$ 120,520	\$ -	\$ (5,605,001)	\$ -	\$ (932,499)
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(337,278)	120,520	-	(5,605,001)	-	(932,499)
Total cash and investment fund balance - ending	\$ (337,278)	\$ 120,520	\$ -	\$ (5,605,001)	\$ -	\$ (932,499)

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	2006-2007 Extended Services Clearing	2007-2008 Extended Services Clearing	2007-2008 Creative Child Care	Educational License Plate	Alternative Education Grant	2007-2008 CHS Star Grant
Receipts:						
Local sources	\$ 275	\$ 38,555	\$ 212,558	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	2,438	-	-
State sources	-	-	-	-	68,451	2,500
Federal sources	-	-	-	-	-	-
Total receipts	275	38,555	212,558	2,438	68,451	2,500
Disbursements:						
Current:						
Instruction	1,461	1,588	8,788	-	10,185	-
Support services	-	-	-	-	54,842	-
Noninstructional services	17,633	29,426	219,754	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	24,752	-	-
Total disbursements	19,094	31,014	228,542	24,752	65,027	-
Excess (deficiency) of receipts over disbursements	(18,819)	7,541	(15,984)	(22,314)	3,424	2,500
Other financing sources (uses):						
Transfers in	-	28,425	-	-	31,229	-
Transfers out	(16,330)	(3,798)	-	-	-	-
Total other financing sources (uses)	(16,330)	24,627	-	-	31,229	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(35,149)	32,168	(15,984)	(22,314)	34,653	2,500
Cash and investments - beginning	35,149	-	17,045	36,948	37,906	-
Cash and investments - ending	\$ -	\$ 32,168	\$ 1,061	\$ 14,634	\$ 72,559	\$ 2,500
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 32,168	\$ 1,061	\$ 14,634	\$ 72,559	\$ 2,500
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 32,168	\$ 1,061	\$ 14,634	\$ 72,559	\$ 2,500
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	32,168	1,061	14,634	72,559	2,500
Total cash and investment fund balance - ending	\$ -	\$ 32,168	\$ 1,061	\$ 14,634	\$ 72,559	\$ 2,500

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	2008 Safe Haven Grant	Ready Schools - Early Intervention	2005-2006 Opportunity School	Special Education Donation	2006-2007 Ball Brothers Wellness	2007-2008 Ball Brothers Empowerment
Receipts:						
Local sources	\$ -	\$ -	\$ 5,672	\$ -	\$ -	\$ 2,700
Intermediate sources	-	-	-	-	-	-
State sources	-	3,355	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	-	3,355	5,672	-	-	2,700
Disbursements:						
Current:						
Instruction	-	7,794	-	-	-	2,665
Support services	16,733	-	-	-	9,712	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	3,850	-	-
Total disbursements	16,733	7,794	-	3,850	9,712	2,665
Excess (deficiency) of receipts over disbursements	(16,733)	(4,439)	5,672	(3,850)	(9,712)	35
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(16,733)	(4,439)	5,672	(3,850)	(9,712)	35
Cash and investments - beginning	-	55,902	(5,672)	8,964	10,000	-
Cash and investments - ending	\$ (16,733)	\$ 51,463	\$ -	\$ 5,114	\$ 288	\$ 35
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (16,733)	\$ 51,463	\$ -	\$ 5,114	\$ 288	\$ 35
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (16,733)	\$ 51,463	\$ -	\$ 5,114	\$ 288	\$ 35
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(16,733)	51,463	-	5,114	288	35
Total cash and investment fund balance - ending	\$ (16,733)	\$ 51,463	\$ -	\$ 5,114	\$ 288	\$ 35

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	2007-2008 Comm Learn Ctrs-Cape	2007-2008 Ball Brothers Central/SSHS	Lowe's CHS	2006-2007 Priority School	2007-2008 Opportunity School	2006-2007 Opportunity School
Receipts:						
Local sources	\$ 89,391	\$ 20,000	\$ 4,500	\$ -	\$ 4,007	\$ 618,719
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	89,391	20,000	4,500	-	4,007	618,719
Disbursements:						
Current:						
Instruction	56,761	-	-	10,472	447,867	76,255
Support services	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	3,000	-
Total disbursements	56,761	-	-	10,472	450,867	76,255
Excess (deficiency) of receipts over disbursements	32,630	20,000	4,500	(10,472)	(446,860)	542,464
Other financing sources (uses):						
Transfers in	-	-	-	33,922	-	-
Transfers out	-	-	-	-	(96,969)	-
Total other financing sources (uses)	-	-	-	33,922	(96,969)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	32,630	20,000	4,500	23,450	(543,829)	542,464
Cash and investments - beginning	-	-	-	(23,450)	-	(544,701)
Cash and investments - ending	\$ 32,630	\$ 20,000	\$ 4,500	\$ -	\$ (543,829)	\$ (2,237)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 32,630	\$ 20,000	\$ 4,500	\$ -	\$ (543,829)	\$ (2,237)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 32,630	\$ 20,000	\$ 4,500	\$ -	\$ (543,829)	\$ (2,237)
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	32,630	20,000	4,500	-	(543,829)	(2,237)
Total cash and investment fund balance - ending	\$ 32,630	\$ 20,000	\$ 4,500	\$ -	\$ (543,829)	\$ (2,237)

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	2007-2008 Priority School	Planetarium	Adventure Environmental Learning Center	Distance Learning Lab	ACC Special	SHS ROTC Services
Receipts:						
Local sources	\$ 350,000	\$ 360	\$ 4,950	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	939
Total receipts	350,000	360	4,950	-	-	939
Disbursements:						
Current:						
Instruction	254,564	-	-	-	-	192
Support services	-	-	2,480	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	254,564	-	2,480	-	-	192
Excess (deficiency) of receipts over disbursements	95,436	360	2,470	-	-	747
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	95,436	360	2,470	-	-	747
Cash and investments - beginning	-	851	14,390	1,875	715	-
Cash and investments - ending	\$ 95,436	\$ 1,211	\$ 16,860	\$ 1,875	\$ 715	\$ 747
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 95,436	\$ 1,211	\$ 16,860	\$ 1,875	\$ 715	\$ 747
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 95,436	\$ 1,211	\$ 16,860	\$ 1,875	\$ 715	\$ 747
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	95,436	1,211	16,860	1,875	715	747
Total cash and investment fund balance - ending	\$ 95,436	\$ 1,211	\$ 16,860	\$ 1,875	\$ 715	\$ 747

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Christmas Sing	Johnson Controls Achievement	2006-2007 Community Education/ Recreation	2007-2008 Community Education/ Recreation	Friends of Multi-Culture	Elementary Instruction Continuation
Receipts:						
Local sources	\$ 6,830	\$ -	\$ 18,275	\$ 42,000	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	6,830	-	18,275	42,000	-	-
Disbursements:						
Current:						
Instruction	-	-	1,735	1,257	-	431
Support services	-	352	-	-	-	-
Noninstructional services	8,572	-	7,813	42,611	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	8,572	352	9,548	43,868	-	431
Excess (deficiency) of receipts over disbursements	(1,742)	(352)	8,727	(1,868)	-	(431)
Other financing sources (uses):						
Transfers in	-	-	-	9,644	-	-
Transfers out	-	-	(9,644)	-	(101)	-
Total other financing sources (uses)	-	-	(9,644)	9,644	(101)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,742)	(352)	(917)	7,776	(101)	(431)
Cash and investments - beginning	-	352	917	-	101	6,993
Cash and investments - ending	\$ (1,742)	\$ -	\$ -	\$ 7,776	\$ -	\$ 6,562
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (1,742)	\$ -	\$ -	\$ 7,776	\$ -	\$ 6,562
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (1,742)	\$ -	\$ -	\$ 7,776	\$ -	\$ 6,562
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(1,742)	-	-	7,776	-	6,562
Total cash and investment fund balance - ending	\$ (1,742)	\$ -	\$ -	\$ 7,776	\$ -	\$ 6,562

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	2007-2008 Gifted/ Talented	2007-2008 Professional Development	2005-2006 Professional Development	2006-2007 Professional Development	2006-2007 Gifted/ Talented	2007-2008 State Non-English Speaking
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	59,840	98,374	1,115	-	-	11,282
Federal sources	-	-	-	-	-	-
Total receipts	59,840	98,374	1,115	-	-	11,282
Disbursements:						
Current:						
Instruction	18,672	-	-	-	-	672
Support services	19,708	242	-	67,922	-	10,610
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	38,380	242	-	67,922	-	11,282
Excess (deficiency) of receipts over disbursements	21,460	98,132	1,115	(67,922)	-	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(173)	-
Total other financing sources (uses)	-	-	-	-	(173)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	21,460	98,132	1,115	(67,922)	(173)	-
Cash and investments - beginning	-	-	(1,115)	90,589	173	-
Cash and investments - ending	\$ 21,460	\$ 98,132	\$ -	\$ 22,667	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 21,460	\$ 98,132	\$ -	\$ 22,667	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 21,460	\$ 98,132	\$ -	\$ 22,667	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	21,460	98,132	-	22,667	-	-
Total cash and investment fund balance - ending	\$ 21,460	\$ 98,132	\$ -	\$ 22,667	\$ -	\$ -

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Non-English Speaking Program	2004-2005 Buddy - Longfellow	Technology Clearing	2005-2006 Buddy Star Writers - Longfellow	2005-2006 Buddy - Longfellow	Buddy Camp Moodle
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	10,543	-	39,027	-	-	1,318
Federal sources	-	-	-	-	-	-
Total receipts	10,543	-	39,027	-	-	1,318
Disbursements:						
Current:						
Instruction	-	-	-	125	-	-
Support services	14,161	535	-	-	-	7,348
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	583,189	-	1,860	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	14,161	535	583,189	125	1,860	7,348
Excess (deficiency) of receipts over disbursements	(3,618)	(535)	(544,162)	(125)	(1,860)	(6,030)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,618)	(535)	(544,162)	(125)	(1,860)	(6,030)
Cash and investments - beginning	3,618	535	738,674	125	5,883	6,030
Cash and investments - ending	\$ -	\$ -	\$ 194,512	\$ -	\$ 4,023	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ 194,512	\$ -	\$ 4,023	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 194,512	\$ -	\$ 4,023	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	194,512	-	4,023	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 194,512	\$ -	\$ 4,023	\$ -

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	21st Century Scholars	2006-2007 Title I	2006-2007 Title I N/D	2006-2007 Title I School Improvement	2007-2008 Title I	2007-2008 Title I, Part D Negl/Delq
Receipts:						
Local sources	\$ 1,856	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	190,830	-	-	-	-	-
Federal sources	-	726,757	-	42,672	3,171,794	169,721
Total receipts	192,686	726,757	-	42,672	3,171,794	169,721
Disbursements:						
Current:						
Instruction	-	379,865	58,529	21,867	2,570,664	332,565
Support services	-	32,612	-	-	583,413	26,051
Noninstructional services	238,797	912	-	-	32,476	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	238,797	413,389	58,529	21,867	3,186,553	358,616
Excess (deficiency) of receipts over disbursements	(46,111)	313,368	(58,529)	20,805	(14,759)	(188,895)
Other financing sources (uses):						
Transfers in	1,121	-	63,047	-	-	-
Transfers out	(257)	-	-	(32,068)	-	-
Total other financing sources (uses)	864	-	63,047	(32,068)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(45,247)	313,368	4,518	(11,263)	(14,759)	(188,895)
Cash and investments - beginning	11,333	(313,368)	(4,518)	11,263	-	-
Cash and investments - ending	\$ (33,914)	\$ -	\$ -	\$ -	\$ (14,759)	\$ (188,895)
Cash and Investment Assets - Ending						
Cash and investments	\$ (33,914)	\$ -	\$ -	\$ -	\$ (14,759)	\$ (188,895)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ (33,914)	\$ -	\$ -	\$ -	\$ (14,759)	\$ (188,895)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(33,914)	-	-	-	(14,759)	(188,895)
Total cash and investment fund balance - ending	\$ (33,914)	\$ -	\$ -	\$ -	\$ (14,759)	\$ (188,895)

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	2007-2008 Title I School Improvement	2005-2006 Title VA Innovative Program	2006-2007 Title VA Innovative Program	2007-2008 Title V, Part A Innov.	2007-2008 IDEA Pre-School	2007-2008 IDEA - Muncie
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	117,760	-	10,209	19,174	147,118	2,086,543
Total receipts	117,760	-	10,209	19,174	147,118	2,086,543
Disbursements:						
Current:						
Instruction	53,231	-	1,012	241,698	188,145	1,777,962
Support services	-	379	-	13,756	-	59,693
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	53,231	379	1,012	255,454	188,145	1,837,655
Excess (deficiency) of receipts over disbursements	64,529	(379)	9,197	(236,280)	(41,027)	248,888
Other financing sources (uses):						
Transfers in	-	-	-	207,053	-	-
Transfers out	-	-	-	(2,996)	-	-
Total other financing sources (uses)	-	-	-	204,057	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	64,529	(379)	9,197	(32,223)	(41,027)	248,888
Cash and investments - beginning	-	379	(9,197)	-	-	-
Cash and investments - ending	\$ 64,529	\$ -	\$ -	\$ (32,223)	\$ (41,027)	\$ 248,888
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 64,529	\$ -	\$ -	\$ (32,223)	\$ (41,027)	\$ 248,888
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 64,529	\$ -	\$ -	\$ (32,223)	\$ (41,027)	\$ 248,888
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	64,529	-	-	(32,223)	(41,027)	248,888
Total cash and investment fund balance - ending	\$ 64,529	\$ -	\$ -	\$ (32,223)	\$ (41,027)	\$ 248,888

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	2007-2008 IDEA Pass-Through	2007-2008 Targeted Funds	2006-2007 Targeted Funds	2006-2007 IDEA - Muncie	2006-2007 IDEA Pass-Through	2006-2007 IDEA Pre-School
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	3,019,373	-	-	26,703	816,250	45,693
Total receipts	3,019,373	-	-	26,703	816,250	45,693
Disbursements:						
Current:						
Instruction	-	2,158	39,212	286,399	-	32,307
Support services	-	-	-	10,793	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	3,994,373	-	-	-	-	-
Total disbursements	3,994,373	2,158	39,212	297,192	-	32,307
Excess (deficiency) of receipts over disbursements	(975,000)	(2,158)	(39,212)	(270,489)	816,250	13,386
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(975,000)	(2,158)	(39,212)	(270,489)	816,250	13,386
Cash and investments - beginning	-	-	39,032	270,489	(816,250)	(13,386)
Cash and investments - ending	<u>\$ (975,000)</u>	<u>\$ (2,158)</u>	<u>\$ (180)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ (975,000)	\$ (2,158)	\$ (180)	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (975,000)</u>	<u>\$ (2,158)</u>	<u>\$ (180)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(975,000)	(2,158)	(180)	-	-	-
Total cash and investment fund balance - ending	<u>\$ (975,000)</u>	<u>\$ (2,158)</u>	<u>\$ (180)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Adult Education GED/TV	2007-2008 Adult Basic Education	2007-2008 GED-On-TV	2006-2007 Adult Basic Education	2006-2007 GED-On-TV	2004-2007 Learning Choices
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	11,900	163,932	229,500	17,433	10,407	38,568
Total receipts	11,900	163,932	229,500	17,433	10,407	38,568
Disbursements:						
Current:						
Instruction	37,778	108,339	209,700	15,352	22,843	20,299
Support services	-	57,563	-	3,780	-	-
Noninstructional services	-	-	-	-	-	667
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	37,778	165,902	209,700	19,132	22,843	20,966
Excess (deficiency) of receipts over disbursements	(25,878)	(1,970)	19,800	(1,699)	(12,436)	17,602
Other financing sources (uses):						
Transfers in	-	-	-	375	-	-
Transfers out	-	-	-	(4,598)	-	(9,000)
Total other financing sources (uses)	-	-	-	(4,223)	-	(9,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(25,878)	(1,970)	19,800	(5,922)	(12,436)	8,602
Cash and investments - beginning	43,104	-	-	5,922	12,436	(8,602)
Cash and investments - ending	\$ 17,226	\$ (1,970)	\$ 19,800	\$ -	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 17,226	\$ (1,970)	\$ 19,800	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 17,226	\$ (1,970)	\$ 19,800	\$ -	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	17,226	(1,970)	19,800	-	-	-
Total cash and investment fund balance - ending	\$ 17,226	\$ (1,970)	\$ 19,800	\$ -	\$ -	\$ -

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	2007-2008 Learning Choices	Local Even Start	2006-2007 Even Start	2007-2008 Even Start	2005-2006 Drug free School Title IV	2006-2007 Drug free School Title IV
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	41,572	-	-	72,240	-	35,000
Total receipts	41,572	-	-	72,240	-	35,000
Disbursements:						
Current:						
Instruction	38,327	2,119	13,613	91,594	-	-
Support services	-	-	-	-	-	2,236
Noninstructional services	1,281	20,553	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	39,608	22,672	13,613	91,594	-	2,236
Excess (deficiency) of receipts over disbursements	1,964	(22,672)	(13,613)	(19,354)	-	32,764
Other financing sources (uses):						
Transfers in	-	-	3,423	-	-	-
Transfers out	-	-	-	-	(31,229)	-
Total other financing sources (uses)	-	-	3,423	-	(31,229)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,964	(22,672)	(10,190)	(19,354)	(31,229)	32,764
Cash and investments - beginning	-	19,766	10,190	-	31,229	16,509
Cash and investments - ending	\$ 1,964	\$ (2,906)	\$ -	\$ (19,354)	\$ -	\$ 49,273
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,964	\$ (2,906)	\$ -	\$ (19,354)	\$ -	\$ 49,273
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,964	\$ (2,906)	\$ -	\$ (19,354)	\$ -	\$ 49,273
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,964	(2,906)	-	(19,354)	-	49,273
Total cash and investment fund balance - ending	\$ 1,964	\$ (2,906)	\$ -	\$ (19,354)	\$ -	\$ 49,273

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	2006-2007 Perkins	2007-2008 Moving Forward Grant	2007-2008 Perkins	BSU - PDS	2007-2008 Title IIA CSR	2006-2007 Title IIA CSR
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	86,555	44,509	257,723	6,000	354,000	236,767
Total receipts	86,555	44,509	257,723	6,000	354,000	236,767
Disbursements:						
Current:						
Instruction	120,089	17,522	285,350	-	384,380	16,015
Support services	-	-	-	8,236	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	120,089	17,522	285,350	8,236	384,380	16,015
Excess (deficiency) of receipts over disbursements	(33,534)	26,987	(27,627)	(2,236)	(30,380)	220,752
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(2,257)	(207,053)	-
Total other financing sources (uses)	-	-	-	(2,257)	(207,053)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(33,534)	26,987	(27,627)	(4,493)	(237,433)	220,752
Cash and investments - beginning	33,534	(38,764)	-	24,734	-	(220,752)
Cash and investments - ending	\$ -	\$ (11,777)	\$ (27,627)	\$ 20,241	\$ (237,433)	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ (11,777)	\$ (27,627)	\$ 20,241	\$ (237,433)	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ (11,777)	\$ (27,627)	\$ 20,241	\$ (237,433)	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	(11,777)	(27,627)	20,241	(237,433)	-
Total cash and investment fund balance - ending	\$ -	\$ (11,777)	\$ (27,627)	\$ 20,241	\$ (237,433)	\$ -

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	2005-2006 Title II-D Enhancement Ed. Tech	2007-2008 Title II-D Enhancement Ed Tech	2006-2007 Title II-D Enhancement Ed Tech	2006-2008 BSU Math Partnership	2006-2007 Reading First	Displaced Students
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	42,750	34,623	54,740	58,415	14,022
Total receipts	-	42,750	34,623	54,740	58,415	14,022
Disbursements:						
Current:						
Instruction	-	36,326	18,762	-	23,242	42,011
Support services	1,847	3,345	-	85,778	27,605	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	1,847	39,671	18,762	85,778	50,847	42,011
Excess (deficiency) of receipts over disbursements	(1,847)	3,079	15,861	(31,038)	7,568	(27,989)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(61,620)	-
Total other financing sources (uses)	-	-	-	-	(61,620)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,847)	3,079	15,861	(31,038)	(54,052)	(27,989)
Cash and investments - beginning	1,847	-	(15,861)	25,003	54,052	27,989
Cash and investments - ending	\$ -	\$ 3,079	\$ -	\$ (6,035)	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 3,079	\$ -	\$ (6,035)	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 3,079	\$ -	\$ (6,035)	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	3,079	-	(6,035)	-	-
Total cash and investment fund balance - ending	\$ -	\$ 3,079	\$ -	\$ (6,035)	\$ -	\$ -

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Retirement/ Severance Bond	Capital Projects	Facility Construction/ Repair	2006-2007 21st Century Scholars	Totals
Receipts:					
Local sources	\$ 787,555	\$ 6,979,820	\$ 141,853	\$ -	\$ 14,385,045
Intermediate sources	-	-	-	-	2,438
State sources	-	-	-	123,448	1,040,388
Federal sources	-	-	-	-	12,211,362
Total receipts	787,555	6,979,820	141,853	123,448	27,639,233
Disbursements:					
Current:					
Instruction	-	-	-	7,743	15,106,836
Support services	-	2,499,157	-	-	7,156,891
Noninstructional services	-	-	-	38,018	658,513
Facilities acquisition and construction	-	3,912,002	1,659,583	-	6,156,634
Debt services	758,474	-	-	-	758,474
Nonprogrammed charges	-	-	-	-	4,025,975
Total disbursements	758,474	6,411,159	1,659,583	45,761	33,863,323
Excess (deficiency) of receipts over disbursements	29,081	568,661	(1,517,730)	77,687	(6,224,090)
Other financing sources (uses):					
Transfers in	-	-	20,994	257	717,373
Transfers out	-	-	-	(1,121)	(651,152)
Total other financing sources (uses)	-	-	20,994	(864)	66,221
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	29,081	568,661	(1,496,736)	76,823	(6,157,869)
Cash and investments - beginning	29,313	(1,751,963)	1,460,771	(76,823)	(2,783,133)
Cash and investments - ending	<u>\$ 58,394</u>	<u>\$ (1,183,302)</u>	<u>\$ (35,965)</u>	<u>\$ -</u>	<u>\$ (8,941,002)</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ (1,183,302)	\$ (35,965)	\$ -	\$ (8,999,396)
Restricted assets:					
Cash and investments	58,394	-	-	-	58,394
Total cash and investment assets - ending	<u>\$ 58,394</u>	<u>\$ (1,183,302)</u>	<u>\$ (35,965)</u>	<u>\$ -</u>	<u>\$ (8,941,002)</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Debt service	\$ 58,394	\$ -	\$ -	\$ -	\$ 58,394
Unrestricted	-	(1,183,302)	(35,965)	-	(8,999,396)
Total cash and investment fund balance - ending	<u>\$ 58,394</u>	<u>\$ (1,183,302)</u>	<u>\$ (35,965)</u>	<u>\$ -</u>	<u>\$ (8,941,002)</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Transportation Operating	Textbook Rental	2007-2008 Delaware - Blackford Special Education	2008-2009 Delaware - Blackford Special Education	2007-2008 Vocational Co-Op	2008-2009 Vocational Co-Op	2007-2008 Extended Services Clearing
Receipts:							
Local sources	\$ 3,091,587	\$ 179,634	\$ 7,088,333	\$ 10,937	\$ 1,161,153	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	-	451,395	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-
Total receipts	3,091,587	631,029	7,088,333	10,937	1,161,153	-	-
Disbursements:							
Current:							
Instruction	-	1,139,312	684,395	4,882,891	187,548	1,007,490	-
Support services	3,013,804	-	148,549	689,687	-	-	-
Noninstructional services	-	-	-	-	-	-	11,265
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Total disbursements	3,013,804	1,139,312	832,944	5,572,578	187,548	1,007,490	11,265
Excess (deficiency) of receipts over disbursements	77,783	(508,283)	6,255,389	(5,561,641)	973,605	(1,007,490)	(11,265)
Other financing sources (uses):							
Transfers in	-	194,786	-	-	-	-	-
Transfers out	-	-	(650,388)	(46,662)	(41,174)	-	(20,903)
Total other financing sources (uses)	-	194,786	(650,388)	(46,662)	(41,174)	-	(20,903)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	77,783	(313,497)	5,605,001	(5,608,303)	932,431	(1,007,490)	(32,168)
Cash and investments - beginning	(337,278)	120,520	(5,605,001)	-	(932,499)	-	32,168
Cash and investments - ending	<u>\$ (259,495)</u>	<u>\$ (192,977)</u>	<u>\$ -</u>	<u>\$ (5,608,303)</u>	<u>\$ (68)</u>	<u>\$ (1,007,490)</u>	<u>\$ -</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ (259,495)	\$ (192,977)	\$ -	\$ (5,608,303)	\$ (68)	\$ (1,007,490)	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ (259,495)</u>	<u>\$ (192,977)</u>	<u>\$ -</u>	<u>\$ (5,608,303)</u>	<u>\$ (68)</u>	<u>\$ (1,007,490)</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	(259,495)	(192,977)	-	(5,608,303)	(68)	(1,007,490)	-
Total cash and investment fund balance - ending	<u>\$ (259,495)</u>	<u>\$ (192,977)</u>	<u>\$ -</u>	<u>\$ (5,608,303)</u>	<u>\$ (68)</u>	<u>\$ (1,007,490)</u>	<u>\$ -</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	2008-2009 Extended Services Clearing	2007-2008 Creative Child Care	2008-2009 Creative Child Care	Educational License Plate	Alternative Education Grant	2007-2008 CHS Star Grant	2008 Safe Haven Grant
Receipts:							
Local sources	\$ 17,955	\$ 12,974	\$ 234,882	\$ -	\$ 50,000	\$ -	\$ -
Intermediate sources	-	-	-	2,963	-	-	-
State sources	-	-	-	-	39,612	-	20,344
Federal sources	-	-	-	-	-	-	-
Total receipts	17,955	12,974	234,882	2,963	89,612	-	20,344
Disbursements:							
Current:							
Instruction	-	-	-	-	3	-	-
Support services	-	-	-	-	46,198	1,180	3,611
Noninstructional services	28,620	24,080	206,482	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Debt services	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	8,792	-	-	-
Total disbursements	28,620	24,080	206,482	8,792	46,201	1,180	3,611
Excess (deficiency) of receipts over disbursements	(10,665)	(11,106)	28,400	(5,829)	43,411	(1,180)	16,733
Other financing sources (uses):							
Transfers in	55,194	10,045	-	-	-	-	-
Transfers out	(10,458)	-	(10,045)	-	-	-	-
Total other financing sources (uses)	44,736	10,045	(10,045)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,071	(1,061)	18,355	(5,829)	43,411	(1,180)	16,733
Cash and investments - beginning	-	1,061	-	14,634	72,559	2,500	(16,733)
Cash and investments - ending	\$ 34,071	\$ -	\$ 18,355	\$ 8,805	\$ 115,970	\$ 1,320	\$ -
Cash and Investment Assets - Ending							
Cash and investments	\$ 34,071	\$ -	\$ 18,355	\$ 8,805	\$ 115,970	\$ 1,320	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 34,071	\$ -	\$ 18,355	\$ 8,805	\$ 115,970	\$ 1,320	\$ -
Cash and Investment Fund Balance - Ending							
Restricted for:							
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	34,071	-	18,355	8,805	115,970	1,320	-
Total cash and investment fund balance - ending	\$ 34,071	\$ -	\$ 18,355	\$ 8,805	\$ 115,970	\$ 1,320	\$ -

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Ready Schools - Early Intervention	Special Education Donation	2006-2007 Ball Brothers Wellness	2007-2008 Ball Brothers Empowerment	2007-2008 Comm Learn Ctrs-Cape	2007-2008 Ball Brothers Central/SSHS
Receipts:						
Local sources	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	-	-	200	-	-	-
Disbursements:						
Current:						
Instruction	13,040	-	-	-	32,630	18,045
Support services	-	-	488	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	500	-	-	-	-
Total disbursements	13,040	500	488	-	32,630	18,045
Excess (deficiency) of receipts over disbursements	(13,040)	(500)	(288)	-	(32,630)	(18,045)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	(38,423)	-	-	(35)	-	-
Total other financing sources (uses)	(38,423)	-	-	(35)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(51,463)	(500)	(288)	(35)	(32,630)	(18,045)
Cash and investments - beginning	51,463	5,114	288	35	32,630	20,000
Cash and investments - ending	\$ -	\$ 4,614	\$ -	\$ -	\$ -	\$ 1,955
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 4,614	\$ -	\$ -	\$ -	\$ 1,955
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 4,614	\$ -	\$ -	\$ -	\$ 1,955
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	4,614	-	-	-	1,955
Total cash and investment fund balance - ending	\$ -	\$ 4,614	\$ -	\$ -	\$ -	\$ 1,955

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Lowe's CHS	Be There Campaign	2007-2008 Opportunity School	2006-2007 Opportunity School	2007-2008 Priority School	2008-2009 Opportunity School
Receipts:						
Local sources	\$ -	\$ 5,000	\$ 678,579	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-
Total receipts	-	5,000	678,579	-	-	-
Disbursements:						
Current:						
Instruction	-	-	135,529	-	52,308	502,986
Support services	-	-	-	-	-	-
Noninstructional services	2,972	2,789	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	2,972	2,789	135,529	-	52,308	502,986
Excess (deficiency) of receipts over disbursements	(2,972)	2,211	543,050	-	(52,308)	(502,986)
Other financing sources (uses):						
Transfers in	-	-	-	2,237	-	-
Transfers out	-	-	-	-	(43,128)	(42,295)
Total other financing sources (uses)	-	-	-	2,237	(43,128)	(42,295)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,972)	2,211	543,050	2,237	(95,436)	(545,281)
Cash and investments - beginning	4,500	-	(543,829)	(2,237)	95,436	-
Cash and investments - ending	\$ 1,528	\$ 2,211	\$ (779)	\$ -	\$ -	\$ (545,281)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 1,528	\$ 2,211	\$ (779)	\$ -	\$ -	\$ (545,281)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 1,528	\$ 2,211	\$ (779)	\$ -	\$ -	\$ (545,281)
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	1,528	2,211	(779)	-	-	(545,281)
Total cash and investment fund balance - ending	\$ 1,528	\$ 2,211	\$ (779)	\$ -	\$ -	\$ (545,281)

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	2008-2009 Priority School	Planetarium	Adventure Environmental Learning Center	Distance Learning Lab	ACC Special	SHS ROTC Services
Receipts:						
Local sources	\$ 350,000	\$ 640	\$ 1,850	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	-	-	-	-	-	1,945
Total receipts	350,000	640	1,850	-	-	1,945
Disbursements:						
Current:						
Instruction	321,265	-	-	-	-	3,143
Support services	-	317	1,496	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	321,265	317	1,496	-	-	3,143
Excess (deficiency) of receipts over disbursements	28,735	323	354	-	-	(1,198)
Other financing sources (uses):						
Transfers in	43,127	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	43,127	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	71,862	323	354	-	-	(1,198)
Cash and investments - beginning	-	1,211	16,860	1,875	715	747
Cash and investments - ending	\$ 71,862	\$ 1,534	\$ 17,214	\$ 1,875	\$ 715	\$ (451)
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 71,862	\$ 1,534	\$ 17,214	\$ 1,875	\$ 715	\$ (451)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 71,862	\$ 1,534	\$ 17,214	\$ 1,875	\$ 715	\$ (451)
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	71,862	1,534	17,214	1,875	715	(451)
Total cash and investment fund balance - ending	\$ 71,862	\$ 1,534	\$ 17,214	\$ 1,875	\$ 715	\$ (451)

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Christmas Sing	2008-2009 Community Education/ Recreation	2007-2008 Community Education/ Recreation	2008-2009 Gifted/ Talented	Elementary Instruction Continuation	2007-2008 Gifted/ Talented
Receipts:						
Local sources	\$ 12,363	\$ 76,268	\$ 21,426	\$ -	\$ 7,751	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	59,840	-	-
Federal sources	-	-	-	-	-	-
Total receipts	12,363	76,268	21,426	59,840	7,751	-
Disbursements:						
Current:						
Instruction	-	-	-	4,300	10,069	14,226
Support services	-	-	-	23,814	-	6,890
Noninstructional services	10,621	58,535	4,087	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	10,621	58,535	4,087	28,114	10,069	21,116
Excess (deficiency) of receipts over disbursements	1,742	17,733	17,339	31,726	(2,318)	(21,116)
Other financing sources (uses):						
Transfers in	-	25,115	-	-	38,423	-
Transfers out	-	-	(25,115)	-	-	-
Total other financing sources (uses)	-	25,115	(25,115)	-	38,423	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,742	42,848	(7,776)	31,726	36,105	(21,116)
Cash and investments - beginning	(1,742)	-	7,776	-	6,562	21,460
Cash and investments - ending	\$ -	\$ 42,848	\$ -	\$ 31,726	\$ 42,667	\$ 344
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 42,848	\$ -	\$ 31,726	\$ 42,667	\$ 344
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 42,848	\$ -	\$ 31,726	\$ 42,667	\$ 344
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	42,848	-	31,726	42,667	344
Total cash and investment fund balance - ending	\$ -	\$ 42,848	\$ -	\$ 31,726	\$ 42,667	\$ 344

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	2008-2009 Professional Development	2007-2008 Professional Development	2006-2007 Professional Development	Non-English Speaking Program	Technology Clearing	2005-2006 Buddy - Longfellow
Receipts:						
Local sources	\$ -	\$ -	\$ 457	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	94,351	-	140	9,743	482,327	288
Federal sources	-	-	-	-	-	-
Total receipts	94,351	-	597	9,743	482,327	288
Disbursements:						
Current:						
Instruction	-	-	-	-	-	-
Support services	20,076	80,653	23,784	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	153,365	2,741
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	20,076	80,653	23,784	-	153,365	2,741
Excess (deficiency) of receipts over disbursements	74,275	(80,653)	(23,187)	9,743	328,962	(2,453)
Other financing sources (uses):						
Transfers in	-	-	520	-	-	-
Transfers out	-	(520)	-	-	(523,000)	-
Total other financing sources (uses)	-	(520)	520	-	(523,000)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	74,275	(81,173)	(22,667)	9,743	(194,038)	(2,453)
Cash and investments - beginning	-	98,132	22,667	-	194,512	4,023
Cash and investments - ending	\$ 74,275	\$ 16,959	\$ -	\$ 9,743	\$ 474	\$ 1,570
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 74,275	\$ 16,959	\$ -	\$ 9,743	\$ 474	\$ 1,570
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 74,275	\$ 16,959	\$ -	\$ 9,743	\$ 474	\$ 1,570
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	74,275	16,959	-	9,743	474	1,570
Total cash and investment fund balance - ending	\$ 74,275	\$ 16,959	\$ -	\$ 9,743	\$ 474	\$ 1,570

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	21st Century Scholars	2008-2009 21st Century Scholars	2009 Garfield Title I School Improvement	Title I Longfellow School Improvement	Title I Sutton School Improvement	2007-2008 Title I
Receipts:						
Local sources	\$ 23,875	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	108,063	204,711	-	-	-	-
Federal sources	-	-	50,000	114,028	138,350	431,803
Total receipts	131,938	204,711	50,000	114,028	138,350	431,803
Disbursements:						
Current:						
Instruction	-	-	-	20,440	95,764	346,327
Support services	-	-	21,970	-	3,000	67,620
Noninstructional services	43,246	235,262	-	-	-	3,097
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	43,246	235,262	21,970	20,440	98,764	417,044
Excess (deficiency) of receipts over disbursements	88,692	(30,551)	28,030	93,588	39,586	14,759
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	88,692	(30,551)	28,030	93,588	39,586	14,759
Cash and investments - beginning	(33,914)	-	-	-	-	(14,759)
Cash and investments - ending	\$ 54,778	\$ (30,551)	\$ 28,030	\$ 93,588	\$ 39,586	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 54,778	\$ (30,551)	\$ 28,030	\$ 93,588	\$ 39,586	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 54,778	\$ (30,551)	\$ 28,030	\$ 93,588	\$ 39,586	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	54,778	(30,551)	28,030	93,588	39,586	-
Total cash and investment fund balance - ending	\$ 54,778	\$ (30,551)	\$ 28,030	\$ 93,588	\$ 39,586	\$ -

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	2007-2008 Title I, Part D Negl/Delq	2007-2008 Title I School Improvement	2008-2009 Title I, Part D Negl/Delq	2007-2008 Title V, Part A Innov.	Stewart McKinney Homeless Asst.	2007-2008 IDEA Pre-School
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ 46,198	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	198,767	42,240	227,111	-	10,000	73,570
Total receipts	198,767	42,240	227,111	46,198	10,000	73,570
Disbursements:						
Current:						
Instruction	49,931	2,630	223,781	41,815	-	32,543
Support services	-	104,139	997	107	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	49,931	106,769	224,778	41,922	-	32,543
Excess (deficiency) of receipts over disbursements	148,836	(64,529)	2,333	4,276	10,000	41,027
Other financing sources (uses):						
Transfers in	40,059	-	-	32,947	-	-
Transfers out	-	-	-	(5,000)	-	-
Total other financing sources (uses)	40,059	-	-	27,947	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	188,895	(64,529)	2,333	32,223	10,000	41,027
Cash and investments - beginning	(188,895)	64,529	-	(32,223)	-	(41,027)
Cash and investments - ending	\$ -	\$ -	\$ 2,333	\$ -	\$ 10,000	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 2,333	\$ -	\$ 10,000	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ 2,333	\$ -	\$ 10,000	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	2,333	-	10,000	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ 2,333	\$ -	\$ 10,000	\$ -

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	2007-2008 IDEA - Muncie	2007-2008 IDEA Pass-Through	2007-2008 Targeted Funds	2006-2007 Targeted Funds	2008-2009 IDEA Pass-Through	2008-2009 IDEA Pre-School
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	860	975,000	100,000	180	3,578,930	171,881
Total receipts	860	975,000	100,000	180	3,578,930	171,881
Disbursements:						
Current:						
Instruction	281,292	-	97,842	-	-	114,085
Support services	15,118	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	3,978,930	-
Total disbursements	296,410	-	97,842	-	3,978,930	114,085
Excess (deficiency) of receipts over disbursements	(295,550)	975,000	2,158	180	(400,000)	57,796
Other financing sources (uses):						
Transfers in	46,662	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	46,662	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(248,888)	975,000	2,158	180	(400,000)	57,796
Cash and investments - beginning	248,888	(975,000)	(2,158)	(180)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (400,000)	\$ 57,796
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ (400,000)	\$ 57,796
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ -	\$ (400,000)	\$ 57,796
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	-	(400,000)	57,796
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ (400,000)	\$ 57,796

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	2008-2009 IDEA - Muncie	Adult Education GED/TV	2007-2008 Adult Basic Education	2007-2008 GED-On-TV	2008-2009 Adult Basic Education	2008-2009 GED-On-TV
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	<u>2,063,933</u>	<u>3,265</u>	<u>18,634</u>	<u>-</u>	<u>177,377</u>	<u>229,500</u>
Total receipts	<u>2,063,933</u>	<u>3,265</u>	<u>18,634</u>	<u>-</u>	<u>177,377</u>	<u>229,500</u>
Disbursements:						
Current:						
Instruction	1,631,200	6,883	10,492	23,094	93,520	103,023
Support services	61,503	-	4,784	-	57,804	75,347
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	10,800
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	<u>1,692,703</u>	<u>6,883</u>	<u>15,276</u>	<u>23,094</u>	<u>151,324</u>	<u>189,170</u>
Excess (deficiency) of receipts over disbursements	<u>371,230</u>	<u>(3,618)</u>	<u>3,358</u>	<u>(23,094)</u>	<u>26,053</u>	<u>40,330</u>
Other financing sources (uses):						
Transfers in	-	-	-	3,294	1,388	-
Transfers out	-	(3,294)	(1,388)	-	-	-
Total other financing sources (uses)	-	(3,294)	(1,388)	3,294	1,388	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	371,230	(6,912)	1,970	(19,800)	27,441	40,330
Cash and investments - beginning	-	17,226	(1,970)	19,800	-	-
Cash and investments - ending	<u>\$ 371,230</u>	<u>\$ 10,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,441</u>	<u>\$ 40,330</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 371,230	\$ 10,314	\$ -	\$ -	\$ 27,441	\$ 40,330
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 371,230</u>	<u>\$ 10,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,441</u>	<u>\$ 40,330</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	<u>371,230</u>	<u>10,314</u>	<u>-</u>	<u>-</u>	<u>27,441</u>	<u>40,330</u>
Total cash and investment fund balance - ending	<u>\$ 371,230</u>	<u>\$ 10,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,441</u>	<u>\$ 40,330</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	2007-2008 Learning Choices	Local Even Start	2007-2008 Even Start	2007-2008 Drug free School Title IV	2006-2007 Drug free School Title IV	2007-2008 Moving Forward Grant
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	21,811	-	24,079	57,046	-	22,138
Total receipts	21,811	-	24,079	57,046	-	22,138
Disbursements:						
Current:						
Instruction	7,030	-	7,971	-	-	9,514
Support services	-	-	-	51,836	49,950	-
Noninstructional services	-	4,306	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	7,030	4,306	7,971	51,836	49,950	9,514
Excess (deficiency) of receipts over disbursements	14,781	(4,306)	16,108	5,210	(49,950)	12,624
Other financing sources (uses):						
Transfers in	-	7,212	3,246	-	5,000	-
Transfers out	(16,745)	-	-	-	(4,323)	(847)
Total other financing sources (uses)	(16,745)	7,212	3,246	-	677	(847)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,964)	2,906	19,354	5,210	(49,273)	11,777
Cash and investments - beginning	1,964	(2,906)	(19,354)	-	49,273	(11,777)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 5,210	\$ -	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ -	\$ -	\$ 5,210	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ -	\$ -	\$ 5,210	\$ -	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	-	-	5,210	-	-
Total cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 5,210	\$ -	\$ -

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	2007-2008 Perkins	2008-2009 Perkins	BSU-PDS	2007-2008 Title IIA CSR	2008-2009 Title IIA CSR	2007-2008 Title II-D Enhancement Ed Tech
Receipts:						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,410
Intermediate sources	-	-	-	-	-	-
State sources	-	-	-	-	-	-
Federal sources	79,065	316,094	5,033	336,179	421,972	14,250
Total receipts	79,065	316,094	5,033	336,179	421,972	15,660
Disbursements:						
Current:						
Instruction	34,739	303,774	-	60,708	413,424	19,509
Support services	-	-	11,917	-	-	640
Noninstructional services	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-
Debt services	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-
Total disbursements	34,739	303,774	11,917	60,708	413,424	20,149
Excess (deficiency) of receipts over disbursements	44,326	12,320	(6,884)	275,471	8,548	(4,489)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,410
Transfers out	(16,699)	-	-	(38,038)	-	-
Total other financing sources (uses)	(16,699)	-	-	(38,038)	-	1,410
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	27,627	12,320	(6,884)	237,433	8,548	(3,079)
Cash and investments - beginning	(27,627)	-	20,241	(237,433)	-	3,079
Cash and investments - ending	\$ -	\$ 12,320	\$ 13,357	\$ -	\$ 8,548	\$ -
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 12,320	\$ 13,357	\$ -	\$ 8,548	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 12,320	\$ 13,357	\$ -	\$ 8,548	\$ -
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	-	12,320	13,357	-	8,548	-
Total cash and investment fund balance - ending	\$ -	\$ 12,320	\$ 13,357	\$ -	\$ 8,548	\$ -

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	2008-2009 Title II-D Enhancement	2006-2008 BSU Math Partnership	Retirement/ Severance Bond	Capital Projects	Facility Construction/ Repair	Totals
Receipts:						
Local sources	\$ -	\$ -	\$ 689,962	\$ 5,630,132	\$ 15,013	\$ 19,408,579
Intermediate sources	-	-	-	-	-	2,963
State sources	10,050	-	-	-	-	1,480,864
Federal sources	-	63,240	-	-	-	9,968,281
Total receipts	10,050	63,240	689,962	5,630,132	15,013	30,860,687
Disbursements:						
Current:						
Instruction	1,095	-	-	-	-	13,041,606
Support services	-	31,986	-	2,424,438	-	7,043,703
Noninstructional services	-	-	-	-	-	635,362
Facilities acquisition and construction	-	-	-	3,090,368	3,189,343	6,446,617
Debt services	-	-	766,708	-	-	766,708
Nonprogrammed charges	-	-	-	-	-	3,988,222
Total disbursements	1,095	31,986	766,708	5,514,806	3,189,343	31,922,218
Excess (deficiency) of receipts over disbursements	8,955	31,254	(76,746)	115,326	(3,174,330)	(1,061,531)
Other financing sources (uses):						
Transfers in	-	-	-	-	2,984,682	3,495,347
Transfers out	-	(1,410)	-	(2,460,000)	-	(3,999,890)
Total other financing sources (uses)	-	(1,410)	-	(2,460,000)	2,984,682	(504,543)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,955	29,844	(76,746)	(2,344,674)	(189,648)	(1,566,074)
Cash and investments - beginning	-	(6,035)	58,394	(1,183,302)	(35,965)	(8,941,002)
Cash and investments - ending	<u>\$ 8,955</u>	<u>\$ 23,809</u>	<u>\$ (18,352)</u>	<u>\$ (3,527,976)</u>	<u>\$ (225,613)</u>	<u>\$ (10,507,076)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 8,955	\$ 23,809	\$ -	\$ (3,527,976)	\$ (225,613)	\$ (10,488,724)
Restricted assets:						
Cash and investments	-	-	(18,352)	-	-	(18,352)
Total cash and investment assets - ending	<u>\$ 8,955</u>	<u>\$ 23,809</u>	<u>\$ (18,352)</u>	<u>\$ (3,527,976)</u>	<u>\$ (225,613)</u>	<u>\$ (10,507,076)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Debt service	\$ -	\$ -	\$ (18,352)	\$ -	\$ -	\$ (18,352)
Unrestricted	8,955	23,809	-	(3,527,976)	(225,613)	(10,488,724)
Total cash and investment fund balance - ending	<u>\$ 8,955</u>	<u>\$ 23,809</u>	<u>\$ (18,352)</u>	<u>\$ (3,527,976)</u>	<u>\$ (225,613)</u>	<u>\$ (10,507,076)</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2008

	Harry Mock Gift	Keihn Scholarship	Gladys Arthur Hoan Scholarship	Totals
Additions:				
Contributions:				
Other	\$ 37,226	\$ -	\$ 486	\$ 37,712
Deductions:				
Administrative and general	27,631	21,275	200	49,106
Excess (deficiency) of total additions over total deductions	9,595	(21,275)	286	(11,394)
Cash and investment fund balance - beginning	28	31,775	1,712	33,515
Cash and investments - June 30	\$ 9,623	\$ 10,500	\$ 1,998	\$ 22,121
Net assets:				
Cash and investments	\$ 9,623	\$ 10,500	\$ 1,998	\$ 22,121
Total net assets - cash and investment basis held in trust	\$ 9,623	\$ 10,500	\$ 1,998	\$ 22,121

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For the Year Ended June 30, 2009

	<u>Harry Mock Gift</u>	<u>Keihn Scholarship</u>	<u>Gladys Arthur Hoan Scholarship</u>	<u>Totals</u>
Additions:				
Contributions:				
Other	\$ -	\$ -	\$ 556	\$ 556
Deductions:				
Administrative and general	<u>-</u>	<u>3,000</u>	<u>200</u>	<u>3,200</u>
Excess (deficiency) of total additions over total deductions	-	(3,000)	356	(2,644)
Cash and investment fund balance - beginning	<u>9,623</u>	<u>10,500</u>	<u>1,998</u>	<u>22,121</u>
Cash and investments - June 30	<u>\$ 9,623</u>	<u>\$ 7,500</u>	<u>\$ 2,354</u>	<u>\$ 19,477</u>
Net assets:				
Cash and investments	<u>\$ 9,623</u>	<u>\$ 7,500</u>	<u>\$ 2,354</u>	<u>\$ 19,477</u>
Total net assets - cash and investment basis held in trust	<u>\$ 9,623</u>	<u>\$ 7,500</u>	<u>\$ 2,354</u>	<u>\$ 19,477</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008

	Federal Withholding Tax	Teachers Social Security	Non- Teaching OASI	Indiana Gross Tax	County Adjusted Gross Income Tax	Indiana State Teachers Retirement
Additions:						
Agency fund additions	\$ 5,058,090	\$ 2,456,720	\$ 825,419	\$ 1,399,715	\$ 441,659	\$ 1,017
Deductions:						
Agency fund deductions	5,058,090	2,456,720	825,419	1,395,969	438,891	1,072
Excess (deficiency) of total additions over total deductions	-	-	-	3,746	2,768	(55)
Cash and investment fund balance - beginning	-	-	-	186,214	57,628	228
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 189,960	\$ 60,396	\$ 173

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Pimco Advisors - Shareholder	American United Life Annuities	Franklin Life Annuities	United Way	Credit Union	Muncie Teacher's Association
Additions:						
Agency fund additions	\$ 110,338	\$ 127,137	\$ 32,483	\$ 30,836	\$ 1,589,121	\$ 209,309
Deductions:						
Agency fund deductions	110,338	127,137	32,591	30,836	1,589,121	209,309
Excess (deficiency) of total additions over total deductions	-	-	(108)	-	-	-
Cash and investment fund balance - beginning	-	-	623	-	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 515</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Great Southern Life	Schools Insurance - Life Insurance	Miscellaneous Payroll Deduction	American Fidelity Short Term Disability	New IN State Teachers Retirement	American Fidelity Life Insurance
Additions:						
Agency fund additions	\$ 2,595	\$ 3,475	\$ 83,361	\$ 1,310	\$ 3,432	\$ 5,735
Deductions:						
Agency fund deductions	2,603	14,781	83,231	1,846	4,006	5,199
Excess (deficiency) of total additions over total deductions	(8)	(11,306)	130	(536)	(574)	536
Cash and investment fund balance - beginning	353	12,826	2,324	536	1,558	-
Cash and investment fund balance - ending	<u>\$ 345</u>	<u>\$ 1,520</u>	<u>\$ 2,454</u>	<u>\$ -</u>	<u>\$ 984</u>	<u>\$ 536</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Huttleston Benefit Group - LTD	Vision Care Insurance	North Western Mutual	Equitable Life	Aetna	Delta Dental
Additions:						
Agency fund additions	\$ 947	\$ 58,892	\$ 72,156	\$ 74,969	\$ 1,800	\$ 226,844
Deductions:						
Agency fund deductions	-	50,133	72,156	74,969	1,800	206,327
Excess (deficiency) of total additions over total deductions	947	8,759	-	-	-	20,517
Cash and investment fund balance - beginning	996	14,090	-	-	75	76,804
Cash and investment fund balance - ending	<u>\$ 1,943</u>	<u>\$ 22,849</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75</u>	<u>\$ 97,321</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	PFS Common Sense Trust Mutual	Kemper	Alliance Global Investor	Northern Life	Horace Mann	Security First Group
Additions:						
Agency fund additions	\$ 9,240	\$ 28,930	\$ 60,605	\$ 16,275	\$ 37,720	\$ 226,999
Deductions:						
Agency fund deductions	9,240	28,930	60,605	16,275	37,720	226,999
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	-
Cash and investment fund balance - beginning	-	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	<u>American Funds</u>	<u>TIAA - CREF</u>	<u>Voluntary PERF Pre Tax</u>	<u>Voluntary TRF Pre Tax</u>	<u>Bargaining Unit/ Non-Section 125</u>	<u>Bargaining Unit/ Section 125</u>
Additions:						
Agency fund additions	<u>\$ 301,208</u>	<u>\$ 56,877</u>	<u>\$ 50,030</u>	<u>\$ 91,768</u>	<u>\$ 100,250</u>	<u>\$ 471,747</u>
Deductions:						
Agency fund deductions	<u>301,208</u>	<u>56,877</u>	<u>49,861</u>	<u>92,758</u>	<u>77,164</u>	<u>362,843</u>
Excess (deficiency) of total additions over total deductions	-	-	169	(990)	23,086	108,904
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>15,387</u>	<u>27,475</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,556</u>	<u>\$ 26,485</u>	<u>\$ 23,086</u>	<u>\$ 108,904</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2008
 (Continued)

	Non Bargaining Unit/ Non-Section 125	Non Bargaining Unit/ Section 125	Bargaining Retirees Health	Non Bargaining Retirees Health	Totals
Additions:					
Agency fund additions	\$ 32,003	\$ 240,662	\$ 248,250	\$ 150,392	\$ 14,940,316
Deductions:					
Agency fund deductions	24,633	183,949	195,506	133,068	14,650,180
Excess (deficiency) of total additions over total deductions	7,370	56,713	52,744	17,324	290,136
Cash and investment fund balance - beginning	-	-	-	-	397,117
Cash and investment fund balance - ending	<u>\$ 7,370</u>	<u>\$ 56,713</u>	<u>\$ 52,744</u>	<u>\$ 17,324</u>	<u>\$ 687,253</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009

	Federal Withholding Tax	Teachers Social Security	Non- Teaching OASI	Indiana Gross Tax	County Adjusted Gross Income Tax	Indiana State Teachers Retirement	Y.M.C.A
Additions:							
Agency fund additions	\$ 4,829,074	\$ 2,412,438	\$ 838,701	\$ 1,388,796	\$ 439,433	\$ 901	\$ 10,101
Deductions:							
Agency fund deductions	4,829,074	2,412,438	838,701	1,385,508	438,984	732	10,101
Excess (deficiency) of total additions over total deductions	-	-	-	3,288	449	169	-
Cash and investment fund balance - beginning	-	-	-	189,960	60,396	173	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,248</u>	<u>\$ 60,845</u>	<u>\$ 342</u>	<u>\$ -</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Pimco Advisors - Shareholder	American United Life Annuities	Franklin Life Annuities	United Way	Credit Union	Muncie Teacher's Association
Additions:						
Agency fund additions	<u>\$ 68,910</u>	<u>\$ 67,900</u>	<u>\$ 10,300</u>	<u>\$ 25,946</u>	<u>\$ 1,529,286</u>	<u>\$ 207,924</u>
Deductions:						
Agency fund deductions	<u>68,910</u>	<u>67,900</u>	<u>10,815</u>	<u>25,946</u>	<u>1,529,286</u>	<u>207,924</u>
Excess (deficiency) of total additions over total deductions	-	-	(515)	-	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>515</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Franklin Templeton Bank Trust	Great Southern Life	Schools Insurance - Life Insurance	Miscellaneous Payroll Deduction	New IN State Teachers Retirement	American Fidelity Life Insurance
Additions:						
Agency fund additions	\$ 22,866	\$ 2,316	\$ 1,975	\$ 86,942	\$ 2,841	\$ 6,248
Deductions:						
Agency fund deductions	22,866	2,300	3,371	85,721	2,854	6,245
Excess (deficiency) of total additions over total deductions	-	16	(1,396)	1,221	(13)	3
Cash and investment fund balance - beginning	-	345	1,520	2,454	984	536
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 361</u>	<u>\$ 124</u>	<u>\$ 3,675</u>	<u>\$ 971</u>	<u>\$ 539</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Huttleston Benefit Group - LTD	Vision Care Insurance	North Western Mutual	Equitable Life	Aetna	Delta Dental
Additions:						
Agency fund additions	<u>\$ 936</u>	<u>\$ 73,767</u>	<u>\$ 4,795</u>	<u>\$ 89,968</u>	<u>\$ 1,800</u>	<u>\$ 274,770</u>
Deductions:						
Agency fund deductions	<u>2,879</u>	<u>94,958</u>	<u>4,795</u>	<u>89,968</u>	<u>1,875</u>	<u>332,608</u>
Excess (deficiency) of total additions over total deductions	(1,943)	(21,191)	-	-	(75)	(57,838)
Cash and investment fund balance - beginning	<u>1,943</u>	<u>22,849</u>	<u>-</u>	<u>-</u>	<u>75</u>	<u>97,321</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 1,658</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,483</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	PFS Common Sense Trust Mutual	Kemper	Alliance Global Investor	Northern Life	Horace Mann	Security First Group
Additions:						
Agency fund additions	\$ 8,890	\$ 12,160	\$ 27,520	\$ 59,927	\$ 31,970	\$ 250,073
Deductions:						
Agency fund deductions	8,890	12,160	27,520	59,927	31,970	250,073
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	-
Cash and investment fund balance - beginning	-	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	American Funds	TIAA - CREF	Voluntary PERF Pre Tax	Voluntary TRF Pre Tax	Bargaining Unit/ Non-Section 125	Bargaining Unit/ Section 125
Additions:						
Agency fund additions	\$ 295,319	\$ 73,752	\$ 52,602	\$ 100,444	\$ 139,621	\$ 692,037
Deductions:						
Agency fund deductions	295,319	73,752	51,461	92,737	113,724	560,764
Excess (deficiency) of total additions over total deductions	-	-	1,141	7,707	25,897	131,273
Cash and investment fund balance - beginning	-	-	15,556	26,485	23,086	108,904
Cash and investment fund balance - ending	\$ -	\$ -	\$ 16,697	\$ 34,192	\$ 48,983	\$ 240,177

MUNCIE COMMUNITY SCHOOLS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For the Year Ended June 30, 2009
 (Continued)

	Non Bargaining Unit/ Non-Section 125	Non Bargaining Unit/ Section 125	Bargaining Retirees Health	Non Bargaining Retirees Health	SHS Provisional Activity	Totals
Additions:						
Agency fund additions	\$ 40,111	\$ 406,322	\$ 677,234	\$ 301,462	\$ -	\$ 15,568,378
Deductions:						
Agency fund deductions	40,080	377,689	591,429	284,169	54,207	15,402,630
Excess (deficiency) of total additions over total deductions	31	28,633	85,805	17,293	(54,207)	165,748
Cash and investment fund balance - beginning	7,370	56,713	52,744	17,324	-	687,253
Cash and investment fund balance - ending	<u>\$ 7,401</u>	<u>\$ 85,346</u>	<u>\$ 138,549</u>	<u>\$ 34,617</u>	<u>\$ (54,207)</u>	<u>\$ 853,001</u>

MUNCIE COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended June 30, 2009

Capital assets are reported at replacement cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 488,550
Buildings	121,968,085
Improvements other than buildings	2,327,878
Machinery and equipment	<u>5,093,249</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 129,877,762</u>

MUNCIE COMMUNITY SCHOOLS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 June 30, 2009

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
School Facilities	\$ 69,810,000	\$ 3,473,328
Bonds payable:		
Revenue bonds:		
Pension Bonds	<u>3,635,000</u>	<u>381,879</u>
Total governmental activities debt	<u>\$ 73,445,000</u>	<u>\$ 3,855,207</u>

MUNCIE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

Stipends were paid to certified personnel and not included in the payroll system or on the salary resolution.

A similar comment appeared in prior Report B31744.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 13)

PROMOTIONAL DISBURSEMENTS

Promotional disbursements posted to the School Board Promotion account totaled \$8,869 for the calendar year 2008. The average daily membership for the fiscal year 2007-2008 was 7,095.

Disbursements for meals for the Board, staff, candidates for the Superintendent's position as well as Christmas cards were paid from a travel appropriation rather than the School Board Promotion appropriation line item. Flowers for a funeral were posted to a supply appropriation line item rather than the School Board Promotion appropriation line item.

Disbursements should be paid from properly authorized line items. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

IC 20-26-5-4(3) states:

"To appropriate from the school corporation's general fund an amount, not to exceed the greater of three thousand dollars (\$3,000) per budget year or one dollar (\$1) per pupil, not to exceed twelve thousand five hundred dollars (\$12,500), based on the school corporation's previous year's ADM to promote the best interests of the school corporation through:

- (A) the purchase of meals, decorations, memorabilia, or awards;
- (B) provision for expenses incurred in interviewing job applicants; or
- (C) developing relations with other governmental units."

ERRORS ON CLAIMS

The following deficiencies were noted while performing a review of claims:

- (1) Claims were not prepared for all disbursements.
- (2) All claims did not have School Board approval. Disbursements automatically withdrawn from depository accounts such as health insurance payments and bank charges were not included on the claims docket.

MUNCIE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

- (3) Claims were not adequately itemized. Travel reimbursements included charge slips rather than individual invoices. Copies of invoices were at times attached to the claims rather than the original invoice.
- (4) Credit card charges were not supported by invoices. Some invoices attached to the credit card statement did not support the actual credit card charge amount. Invoices for food purchases did not indicate the reason for the meeting and/or individuals attending.
- (5) Disbursements for a membership were posted to a supply appropriation line item.

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

All claims, invoices, receipts and accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for whom amounts are claimed, including the nature, name and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim, may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Disbursements should be paid from properly authorized line items. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

MUNCIE COMMUNITY SCHOOLS
 AUDIT RESULTS AND COMMENTS
 (Continued)

RECEIPTS NOT TIMELY POSTED

A state distribution in FY 2007-2008 in the amount of \$14,079 with a direct deposit date of January 11, 2008, was not posted until June 4, 2008, and a State distribution in the amount of \$120,000 with a direct deposit date of June 9, 2008, was not posted until August 27, 2008. A state distribution in FY 2008-2009 in the amount of \$270,660 with a direct deposit date of June 12, 2009, was not posted until July 17, 2009.

Special education federal distributions were disbursed from a school fund in June 2008 and June 2009 in the amount of \$521,636 and \$515,983, respectively. The distributions were not posted to the School Corporation's records until July 2008 and July 2009. The financial statements were adjusted, with the approval of management, to properly reflect the amounts not recorded as of June 30, 2008, and June 30, 2009.

Central High School issued a check for textbook rental fees dated June 22, 2009. The check was not deposited to the Corporation's bank account until July 8, 2009.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

AVERAGE DAILY MEMBERSHIP (ADM) - INCORRECT REPORTING TO THE STATE

The information presented for audit indicates enrollment figures on Form Number 30A, Report of Average Daily Membership (ADM) for Honors Diplomas, were incorrect for the school year ending June 30, 2008.

The difference between the count reported on the ADM and the verified figures are shown below:

	<u>School Year</u>	<u>Count as Reported on Form Number 30A</u>	<u>Actual Diploma Figures</u>	<u>Difference</u>
Honors Diplomas	2007-2008	101	100	1

School Officials should contact the Indiana Department of Education, Division of School Finance, to determine possible steps to be taken to correct any overpayment/underpayment applicable to the School Corporation because of incorrect reporting. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

OVERDRAWN CASH BALANCES

The cash balances of the Transportation Operating Fund, 2007-2008 Delaware - Blackford Special Education Fund, 2007-2008 Vocational Co-Op Fund, 2007-2008 Opportunity School Fund, 2007-2008 Title I, Part D Negl/Delq Fund, 2007-2008 IDEA Pass-Through Fund, 2007-2008 Title IIA CSR Fund, and Capital Projects Fund were overdrawn in fiscal year 2007-2008.

MUNCIE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

The cash balances of the Debt Service Fund, Transportation Operating Fund, Textbook Rental Fund, 2008-2009 Delaware - Blackford Special Education Fund, 2008-2009 Vocational Co-Op Fund, 2008-2009 Opportunity School Fund, 2008-2009 IDEA Pass-Through Fund, Capital Projects Fund, and Facility Construction/Repair Fund were overdrawn in fiscal year 2008-2009.

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 governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

FACILITY USE COLLECTIONS

Based on a review of facility use collections, the following items were noted:

1. Outstanding charges as of June 30, 2009, that have not been collected as of December 17, 2009, totaled \$5,240.
2. A contract between the School Corporation and the Delaware County Soccer Association was signed in September 2009 by the Treasurer. The contract, which is for the period August 1, 2009 to July 31, 2010, requires the Association to maintain all the fields, etc., and is silent as to the amount charged. The School Corporation used the contract as a reason to waive the amount owed of \$2,775; however, no reference is made in the contract regarding the amount owed.
3. Charges assessed did not always agree with established rates.
4. Voided receipts were not retained.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

IC 20-26-4-8 concerning approval of contracts states:

"Notwithstanding any other law, the president and secretary of the governing body of a school corporation are entitled, on behalf of the school corporation, to sign any contract, including employment contracts and contracts for goods and services. However, each contract must be approved by a majority of all members of the governing body. In the absence of either the president or secretary of the governing body, the vice president is entitled to sign the contracts with the officer who is present."

MUNCIE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

INTERNAL CONTROLS - BUSINESS OFFICE

The Business Office has a lack of segregation of duties. The bank reconciliation, at times, and other record posting and depositing functions are performed by the same individual.

Approved receipts were not written at the time the collection was received.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

COLLECTION OF AMOUNTS DUE - HOTEL CANCELLATION

A credit card charge in the amount of \$186.76 was charged on October 1, 2008, using the Superintendent's credit card and was reflected on the credit card statement as "Assured Reservation - No Show." A review of the hotel invoice indicated the charge was for guaranteeing a hotel reservation for a Board Member. The Board Member did not use the room. No evidence was presented for audit that indicated an attempt was made to cancel the reservation or recover a credit for the charge.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

CAPITAL ASSET RECORDS

A review of capital assets revealed the following deficiencies:

1. The detail of capital assets is \$12,495 more than the control.
2. Not all capital asset additions were posted to the capital asset records.
3. Detailed capital asset records did not always include a proper description of the asset.
4. Equipment and licensed vehicles are erroneously included in the building amount total.
5. Several capital assets, which totaled \$432,396, were noted as not found during the inventory of capital assets as of June 30, 2008. Officials are currently investigating the missing items noted.
6. Calculated capital assets at June 30, 2009, using beginning balance, additions and disposals was \$932,769 less than reported capital assets.

MUNCIE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

BREAK-INS, BURGLARIES OR OTHER CRIMES (Applies to Longfellow Elementary School)

Deposits totaling \$60 were not made. Officials have stated that a burglary occurred on April 17, 2009, and that money was taken from an unattended money bag. A police report was not presented for audit.

Break-ins, burglaries or other crimes committed against the governmental unit should be documented by the filing of an official police report. Insurance companies should be contacted to request payment for any allowable coverage. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

FUND SOURCES AND USES (Applies to Sutton Elementary, Washington-Carver Elementary and West View Elementary)

Funds were disbursed from the Student Activity Fund for classroom supplies, supplies for the nurse's clinic, and office supplies at Sutton Elementary School. Funds were disbursed from Student Activity Fund for classroom supplies, office supplies, and volunteer lunches at Washington-Carver Elementary. Funds were disbursed from Student Activity Fund for office, clinic, and classroom supplies and staff refreshments at West View Elementary School. Funds were disbursed from the Student Activity Fund for office supplies, classroom supplies, staff refreshments and staff flu shots at Mitchell Elementary School.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CONDITION OF RECORDS (Applies to Wilson Middle School and Garfield Elementary School)

Beginning balances did not agree to the prior year ending balances for school funds.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

OLD OUTSTANDING CHECKS (WARRANTS) (Applies to Wilson Middle School)

A review of the bank reconciliations as of June 19, 2009, revealed checks (warrants) outstanding in excess of two years.

MUNCIE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

IC 5-11-10.5-2 states in part:

"All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

IC 5-11-10.5-3 states in part:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the: (1) board of finance of the political subdivision; or (2) the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

IC 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

NONUSE OF TICKET SALES FORM SA-4 (Applies to Central High School and Wilson Middle School)

Ticket sale reports at Central High School and Wilson Middle School were not always signed by the person taking the tickets and not always approved by the Athletic Office. Tickets were not sold and cash payments were taken at the time of admittance for school dances and performances. As a result, full accountability for all money received from admissions could not be determined. Additionally, amounts deposited did not always agree to ticket sale reports at Wilson Middle School.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

MUNCIE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Serially prenumbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events for which admission is charged. Part of the prenumbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained. All tickets (unused tickets and stubs) should be retained for audit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Tickets for each price group should be different colors and/or different in their series number. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

RECEIPT ISSUANCE (Applies to Central High School, South Side High School, Wilson Middle School and Mitchell Elementary School)

Receipt Forms SA-3 were not always issued when collections were received.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

DEPOSITS (Applies to Wilson Middle School and Creative Child Care)

Receipts in numerous instances were deposited later than the next business day at Wilson Middle School. A similar comment was in prior Reports B24922, B29782 and B31744.

Creative Child Care at North View Elementary and Longfellow Elementary Schools were only turned over to the Treasurer once a week.

IC 20-41-1-9 states in part: ". . . receipts shall be deposited without unreasonable delay.

DISBURSEMENT DOCUMENTATION (Applies to Wilson Middle School)

Special Education teachers receive \$70 per month with no explanation or documentation of what was purchased.

MUNCIE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

TEXTBOOK RENTAL FEES (Applies to Wilson Middle School)

The textbook rental amounts charged at Wilson Middle School did not agree to the Student Fees Roster. The original fee statements were not retained for audit, therefore we could not determine if fees were charged correctly. Furthermore, some amounts charged did not agree to the Student Fee Assessment approved by the School Board.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

FEES (Applies to Creative Child Care and Muncie Area Career Center)

There were various charges for late fees in the latchkey program, but no evidence the fee had been approved by the School Board. Additionally some fees were charged which did not agree to amounts on the Creative Child Care Fee Schedule. The Contracted Fee Collection Form was not always posted correctly and balances were not always correctly figured.

Fees charged at the Muncie Area Career Center did not agree to the Student Fee Assessment approved by the School Board.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

ERRORS ON CLAIMS (Applies to Washington-Carver Elementary School)

The following deficiencies were noted on claims during the audit period:

- (1) Claims were not prepared for all disbursements.
- (2) Claims were not adequately itemized.

MUNCIE COMMUNITY SCHOOLS
AUDIT RESULTS AND COMMENTS
(Continued)

(3) Claims were not approved by the Principal and the Treasurer

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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 COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE MUNCIE COMMUNITY SCHOOLS, DELAWARE COUNTY, INDIANA

Compliance

We have audited the compliance of the Muncie Community Schools (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

In our opinion, the School Corporation complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended June 30, 2008 and 2009.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a School Corporation's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

The School Corporation's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the School Corporation's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the School Corporation's management, school board and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

February 4, 2010

MUNCIE COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
National School Breakfast Program				
	10.553		\$ 531,106	\$ -
		FY07-08 FY08-09	-	573,939
Total for program			531,106	573,939
National School Lunch Program				
	10.555		1,840,282	-
		FY07-08 FY08-09	-	2,056,858
Total for program			1,840,282	2,056,858
Total for federal grantor agency			2,371,388	2,630,797
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Direct Grant				
Supportive Housing Program				
	14.235		17,889	-
		2004-2007 2007-2008	43,711	19,672
Total for federal grantor agency			61,600	19,672
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Indiana Department of Education				
Title I Part A Cluster				
Title I Grants to Local Educational Agencies				
School Improvement				
	84.010		3,511,128	-
		08-1970 09-1970	-	3,601,635
		07-1970 Improvement 08-1970 Improvement	16,420 55,861	-
		09-1970 Garfield 09-1970 Longfellow	-	35,752 76,925
		09-1970 Sutton	-	98,764
Total for program			3,583,409	3,813,076
Special Education Cluster				
Special Education - Grants to States				
	84.027		1,907,830	-
		14208-010-PN01 14208-010-PN01 Muncie	2,086,543	-
		14209-10-PN01 14209-10-PN01 Muncie	-	1,914,997 2,063,933
		14206-061-DY01 14207-048-DY01	27,786 25,094	-
Total for program			4,047,253	4,053,836
Special Education - Preschool Grants				
	84.173		192,118	-
		45708-010-PN01 45709-010-PN01	-	190,881
Total for program			192,118	190,881
Total for Cluster			4,239,371	4,244,717
State Fiscal Stabilization Fund Cluster				
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act				
	84.394	FY2009	-	4,869,470
Adult Education - Basic Grants to States				
	84.002		4,238	-
		FY2007-8024 FY2008-8024	181,178	1,388
		FY2009-8024	-	165,905
Total for program			185,416	167,293

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

MUNCIE COMMUNITY SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2008 and 2009
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 06-30-08	Total Federal Awards Expended 06-30-09
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-Through Indiana Department of Education (continued)				
Title I Program for Neglected and Delinquent Children	84.013	08-1970 09-1970	368,488 -	- 269,953
Total for program			<u>368,488</u>	<u>269,953</u>
Career and Technical Education - Basic Grants to States	84.048	07-4700-1970 08-4700-22-1970 09-4700-1970	10,281 315,294 -	- 21,494 337,406
Total for program			<u>325,575</u>	<u>358,900</u>
Safe and Drug Free Schools and Communities - State Grants	84.186	1970-07 1970-08	51,838 50,000	4,671 1,836
Total for program			<u>101,838</u>	<u>6,507</u>
Even Start - State Educational Agencies	84.213	FY2008	96,319	-
Tech-Prep Education	84.243	CPS-6-34	17,578	6,456
Goals 2000 - State and Local Education Systemic Improvement Grants	84.276	I Step Up	10,922	10,739
State Grants for Innovative Programs	84.298	05-173 07-1970	379 259,174	- -
Total for program			<u>259,553</u>	<u>-</u>
Education Technology State Grants	84.318	FY2006 FY2008	1,847 46,069	- 10,931
Total for program			<u>47,916</u>	<u>10,931</u>
Reading First State Grants	84.357	FY06-07	93,592	-
English Language Acquisition Grants	84.365	FY2009	-	1,095
Mathematics and Science Partnerships	84.366	FY2006	83,424	33,395
Improving Teacher Quality State Grants	84.367	07-1970 08-1970 S367A060013A	450,179 - -	- 707,501 1,180
Total for program			<u>450,179</u>	<u>708,681</u>
Total for federal grantor agency			<u>9,863,580</u>	<u>14,501,213</u>
Total federal awards expended			<u>\$ 12,296,568</u>	<u>\$ 17,151,682</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

MUNCIE COMMUNITY SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Muncie Community Schools (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of School Corporation's shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Subrecipients

Of the federal expenditures presented in the schedule, the School Corporation provided federal awards to subrecipients as follows for the years ended June 30, 2008 and 2009:

Program Title	Federal CFDA Number	2008	2009
Special Education – Grants to States	84.027	\$ 1,907,830	\$ 1,914,997
Adult Education – Basic Grants to States	84.002	29,245	26,136

III. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2008 and 2009. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2008	2009
National School Lunch Program	10.555	\$ 78,349	\$ 177,965

MUNCIE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

Name of Federal Program or Cluster

Child Nutrition Cluster
Title I Part A Cluster
State Fiscal Stabilization Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$883,448

Auditee qualified as low-risk auditee? no

MUNCIE COMMUNITY SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FINDING 2009-1, FINANCIAL STATEMENT FINDINGS

The Business Office has a lack of segregation of duties. The bank reconciliation, which is a secondary duty, and other record posting and depositing functions are performed by the same individual.

Approved receipts were not written at the time the collection was received. Failure to issue a receipt at the time of collection results in poor internal control and gives opportunity for misappropriation of the funds.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

Muncie Community Schools

2501 N. OAKWOOD AVENUE • MUNCIE, IN 47304-2399

Prepare Now - Anticipate the Future

December 3, 2009

Summary Schedule of Audit Findings

Original SBA Audit Report #	B31744
Fiscal Year	2006-2007
Auditee Contact Person	Mark A. Burkhart
Title of Contact Person	Treasurer
Phone Number of Contact Person	765-747-5222

Status of Federal Findings

2007-2 Vocational Education Cash Management

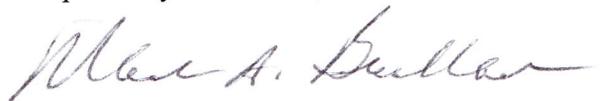
Since the filing of the audit results referenced above, Muncie Community Schools (LEA) has had two (2) personnel changes in the local administrative position providing oversight for the federal Perkins Vocational Education grants. The incumbent project director has, by design, made cash disbursement requests to the state (SEA) on a reimbursement basis thus eliminating the excess cash balance issue. (FYI-The cash balance today [12-3-09] in the 09/10 Perkins Fund is \$-43,407.35)

2007-3 Vocational Education-Period of Availability of Funds

The Muncie Community Schools (LEA) is cognizant of the audit agency's position that Perkins Vocational Education funds should be expended within 90 days after the grant's stated ending date (last day to encumber funds) which is normally June 30. Every effort is made to meet that timeline so that all obligations (open purchase orders) are liquidated by September 30. Unfortunately, some vendors are not prompt in fulfilling their order commitment by September 30 although the LEA's contracted obligation remains in place.

It is also noteworthy that the federal Tyding's Amendment seems to contain/contradictory language identifying a "Liquidation Period" of October 1 through December 30 to actually achieve project close-out. Every effort will be made to completely close federal grants by September 30 with no activity beyond that date.

Respectfully Submitted,



Mark A. Burkhart
Associate Superintendent, Treasurer

MuncieCommunitySchools

2501 N. OAKWOOD AVENUE • MUNCIE, IN 47304-2399

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February 4, 2010

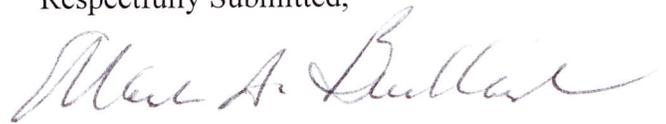
Indiana State Board
of Accounts
302 W. Washington Street-Rm. E418
Indianapolis, IN 46204-2765

To Whom It May Concern:

Re: 2007-2009 Audit Findings Response

In response to Finding # 2009-1-Financial Statement Finding in your agency's audit report for the Muncie Community Schools for the period of July 1, 2007 through June 30, 2009, please note that the examiners' determination of a lack of "segregated duties" has been addressed. While the school district is not in a position to add staff to achieve more oversight, existing Business Office personnel have assumed added responsibilities to provide the recommended level of segregation of duties.

Respectfully Submitted,



Mark A. Burkhart
Associate Superintendent-Treasurer

MUNCIE COMMUNITY SCHOOLS
EXIT CONFERENCE

The contents of this report were discussed on February 4, 2010, with Mark A. Burkhart, Treasurer; Dr. Eric King, Superintendent of Schools; and Jennifer Abrell, President of the School Board. The official response has been made a part of this report and may be found on pages 100 and 101.

Muncie Community Schools

2501 N. OAKWOOD AVENUE • MUNCIE, IN 47304-2399

Prepare Now - Anticipate the Future

February 4, 2010

Indiana State Board
of Accounts
302 W. Washington Street-Rm. E418
Indianapolis, IN 46204-2765

To Whom It May Concern:

On February 4, 2010, field examiners (Stephanie Heath and Theresa Alexander) from your agency conducted an exit conference with representatives of the Muncie Community Schools to review the results of their audit of school records for the period of July 1, 2007, through June 30, 2009. The purpose of this correspondence is to provide an official, written response to selected issues raised during the exit conference. Other than as noted below, the Muncie Community Schools is in general agreement with all of the audit findings and all noted issues have been corrected as of this date.

- A. Stipends- The Muncie Community Schools Board of School Trustees has adopted a Home Rule Resolution (8/8/06) to permit stipend payments. The school district reports stipend payments per Internal Revenue Service guidelines for Miscellaneous Income Form 1099. Auditors provided no statutory reference prohibiting such payments to employees for voluntary participation in professional development activities beyond the scope of each employee's prescribed work day and job description.
- B. Internal Controls- Auditors observed that more internal oversight should be provided for various Business Office functions. Muncie Community Schools, due to its size, does separate functions and duties to a greater extent (among more employees) than most Indiana school corporations. Due to severe cost restrictions, it would be difficult to add staff at this time to achieve the auditors desired level of oversight. However, the Business Office will attempt to provide more cross-training of the existing staff in order to address this finding.
- C. Capital Assets- While the school district concurs with many of the findings in regards to the accuracy of the district's fixed asset records, most of the issues can be traced back to the outside vendor that maintains this record. The district will, at the next inventory, be more aggressive in verifying the vendor's updated inventory record. The district will also be more involved in posting the disposal of obsolete equipment.

In conclusion, The Muncie Community Schools would like to commend your field representatives for the efficient, thorough and professional manner in which they conducted their audit of school records.

Respectfully Submitted,

A handwritten signature in cursive script, appearing to read "Mark A. Burkhart".

Mark A. Burkhart
Associate Superintendent-Treasurer