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July 19, 2022

To: The Officials of the Muncie Community Schools  
Muncie Community Schools  
4301 S Cowan Rd.  
Muncie, IN 47302

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Muncie Community Schools. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditor's Report*, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, the aggregate remaining fund information of the School Corporation, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

**MUNCIE COMMUNITY SCHOOLS, INDIANA**  
(A Component Unit of Ball State University, Indiana)

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2021

# MUNCIE COMMUNITY SCHOOLS, INDIANA

ANNUAL FINANCIAL REPORT  
For the Year Ended June 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
Muncie Community Schools  
Delaware County, Indiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Muncie Community Schools (School Corporation), a component unit of Ball State University, Indiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School Corporation, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note III - G to the financial statements, errors in the prior year were discovered by management of the School Corporation during the current year. Adjustments have been made to fund balances as of July 1, 2020 to correct those errors. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule - Operations Fund, Budgetary Comparison Schedule - Education Fund, Budget to GAAP Reconciliation Education and Operation Funds, Schedules of the School's Proportionate Share of the Net Pension Liability Public Employees' Retirement Fund, Schedule of School Contributions Public Employees' Retirement Fund, Schedule of the School's Proportionate Share of the Net Pension Liability Teachers' Retirement Fund, Schedule of School Contributions Teachers' Retirement Fund, Schedule of Changes in Net OPEB Liability, Schedule of Net OPEB Liability, Schedule of Employer Contributions, and Schedule of Employer's Share of Nonemployer Contributing Entity Contributions Pre-96 Teacher Retirement Fund, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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 Combining Balance Sheet - Nonmajor Governmental Funds , Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds, Combining Balance Sheet - Nonmajor Special Revenue Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Special Revenue, Combining Balance Sheet Nonmajor Governmental Funds - Debt Service Fund, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Debt Service Funds, Combining Balance Sheet Nonmajor Governmental Funds - Capital Project Funds , Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Capital Projects, Combining Statement of Fiduciary Net Position - Custodial Funds, and Combining Statement of Changes in Fiduciary Net Position - Custodial Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds, Combining Balance Sheet - Nonmajor Special Revenue Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Special Revenue, Combining Balance Sheet Nonmajor Governmental Funds - Debt Service Fund, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Debt Service Funds, Combining Balance Sheet Nonmajor Governmental Funds - Capital Project Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Capital Projects, Combining Statement of Fiduciary Net Position - Custodial Funds, Combining Statement of Changes in Fiduciary Net Position - Custodial Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds, Combining Balance Sheet - Nonmajor Special Revenue Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Special Revenue, Combining Balance Sheet Nonmajor Governmental Funds - Debt Service Fund, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Debt Service Funds, Combining Balance Sheet Nonmajor Governmental Funds - Capital Project Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Capital Projects, Combining Statement of Fiduciary Net Position - Custodial Funds, and Combining Statement of Changes in Fiduciary Net Position - Custodial Funds, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Governmental Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 8, 2021 on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School Corporation's internal control over financial reporting and compliance.



Crowe LLP

Indianapolis, Indiana  
October 8, 2021

## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Brad DeRome	07-01-19 to 06-20-22
Director of Public Education and Chief Executive Officer	Dr. Lee Ann Kwiatkowski	07-01-19 to 06-30-22
President of the School Board	James Williams	07-01-19 to 07-01-22

# MUNCIE COMMUNITY SCHOOLS

## ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2021

### Management's Discussion and Analysis

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As management of Muncie Community Schools, Indiana, we offer readers of the Muncie Community Schools' financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

#### Financial Highlights

- Total assets (\$94,407) and deferred outflows (\$3,172) of Muncie Community School exceeded its liabilities (\$50,767) and deferred inflows (\$4,185) by \$42,627 (reported as net position). Of this amount, (\$13,171) was reported as "unrestricted net position."
- As of the close of the current fiscal year, Muncie Community Schools' governmental funds reported a combined ending fund balance of \$35,722.
- At the end of the current fiscal year, the fund balance for the operations fund was \$666 which represented 4.88% of the total operations fund expenditures, excluding transfers out.
- Muncie Community Schools' total bond related debt during the current fiscal year was \$32,698.
- Muncie Community Schools' received \$1,575 in Cares Act Funding and \$671 from the ESSER II Grant.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** - The government-wide financial statements are designed to provide readers with a broad overview of Muncie Community Schools' finances, in a manner similar to a private-sector business.

The statement of net position presents information on all Muncie Community Schools' assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Muncie Community Schools is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Muncie Community Schools that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Muncie Community Schools include instruction, support services, community services, and facilities acquisition and construction.

The government-wide financial statements can be found on pages 15-16 of this report.

# MUNCIE COMMUNITY SCHOOLS

## ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2021

### Management's Discussion and Analysis

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**Fund financial statements** - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Muncie Community Schools, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of Muncie Community Schools can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Muncie Community Schools maintains 81 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Education Fund, Debt Service Fund, and Operations Fund. Data for 78 Muncie Community Schools governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report. Muncie Community Schools adopts an annual appropriated budget for its operations, educational and debt service funds. Budgetary comparison schedules have been provided for the major special revenue funds in the required supplementary to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 17-19 of this report.

**Proprietary funds** - Muncie Community Schools maintains one proprietary fund for internal services. Internal service funds are an accounting device used to accumulate and allocate costs internally among Muncie Community Schools' various functions. Muncie Community Schools uses the internal service fund to account for medical and liability insurance. Because these services benefit the governmental-type functions, they have been included within the governmental activities on the Statement of Net Position in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

**Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those are not available to support Muncie Community Schools' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 23-24 of this report.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25-69 of this report.

Required supplementary information can be found on pages 70-83 of this report.

# MUNCIE COMMUNITY SCHOOLS

ANNUAL FINANCIAL REPORT  
For the Year Ended June 30, 2021

Management's Discussion and Analysis

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**Other Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Muncie Community Schools' budgets for its major funds as well as reconciliation between the budget schedules and fund financial statements. In addition, Muncie Community Schools' progress in funding its obligation to provide pension and other post-employment benefits to certain employees is included as supplementary information.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules found on pages 84-127 of this report.

## **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of government's financial position. For Muncie Community Schools, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$42,627 at the close of the most recent fiscal year.

The largest portion, \$36,279 (85.11%) of Muncie Community Schools' net position represents resources that are subject to external restrictions on how they may be used.

# MUNCIE COMMUNITY SCHOOLS

## ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2021

### Management's Discussion and Analysis

The following table reflects the condensed statement of Muncie Community Schools' net position:

#### Muncie Community Schools, Net Position as of June 30

	Governmental-Type Activities	
	2021	2020
Current and other assets	\$ 42,853	\$ 39,028
Capital assets	<u>51,554</u>	<u>51,600</u>
Total Assets	<u>94,407</u>	<u>90,628</u>
Deferred outflow of resources	<u>3,172</u>	<u>3,027</u>
Long-term liabilities outstanding	47,638	51,801
Other liabilities	<u>3,129</u>	<u>3,195</u>
Total Liabilities	<u>50,767</u>	<u>54,996</u>
Deferred inflow of resources	<u>4,185</u>	<u>4,706</u>
Net investment in capital assets	19,519	16,656
Restricted	36,279	30,014
Unrestricted	<u>(13,171)</u>	<u>(12,717)</u>
Total Net Position	<u>\$ 42,627</u>	<u>\$ 33,953</u>

An additional portion of Muncie Community Schools' net position, \$19,519 (45.79%), reflects the investment in capital assets (e.g., buildings, improvements other than buildings, and machinery and equipment); less any related debt used to acquire those assets that is still outstanding. Although Muncie Community Schools' investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the School can report a positive balance in net position for Net Investment in Capital Assets and Restricted Net Position. The remaining balance of unrestricted net position was (\$13,171). A negative balance for unrestricted net position is more common for units of government like the School that utilize pay as you go policies for long-term debt, pensions and other post-employment benefits rather than accumulating assets in advance.

# MUNCIE COMMUNITY SCHOOLS

## ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2021

### Management's Discussion and Analysis

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#### Governmental Activities

The following table provides a summary of changes in net position for Muncie Community Schools.

#### Muncie Community Schools – Changes in Net Position

	Fiscal year Ended	
	June 30, 2021	June 30, 2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 688	\$ 766
Operating Grants and Contributions	17,139	14,501
General Revenues:		
Taxes:		
Property	9,849	10,650
Other	1,340	1,409
State aid	40,170	40,763
Grants and contributions not restricted to a specific program	465	145
Contributions	9,598	8,926
Other	2,134	3,472
Total Revenues	<u>81,383</u>	<u>80,632</u>
Expenses:		
Instruction	41,133	38,307
Support Services	23,509	22,155
Community Services	3,016	3,671
Facilities Acquisition and Construction	305	1,193
Interest on Long Term Debt	1,083	1,187
Nonprogrammed Charges	3,663	2,739
Total Expenses	<u>72,709</u>	<u>69,252</u>
Change in net position	8,674	11,380
Net position - beginning	<u>33,953</u>	<u>22,573</u>
Net Position at June 30	<u>\$ 42,627</u>	<u>\$ 33,953</u>

# MUNCIE COMMUNITY SCHOOLS

## ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2021

### Management's Discussion and Analysis

Significant changes to revenues include the following:

Operating Grants and Contributions increased by \$2,638 from fiscal year June 30, 2020. This increase was the result of \$1.2 million in Cares Act funding along with several new grants that started in FY 21.

Significant changes in expenditures include the following:

Support services increased by \$1,354 from fiscal year ending June 30, 2020. The main reason for the increase was \$500 thousand COPS Cameras grant and \$353 thousand of Cares Act funding.

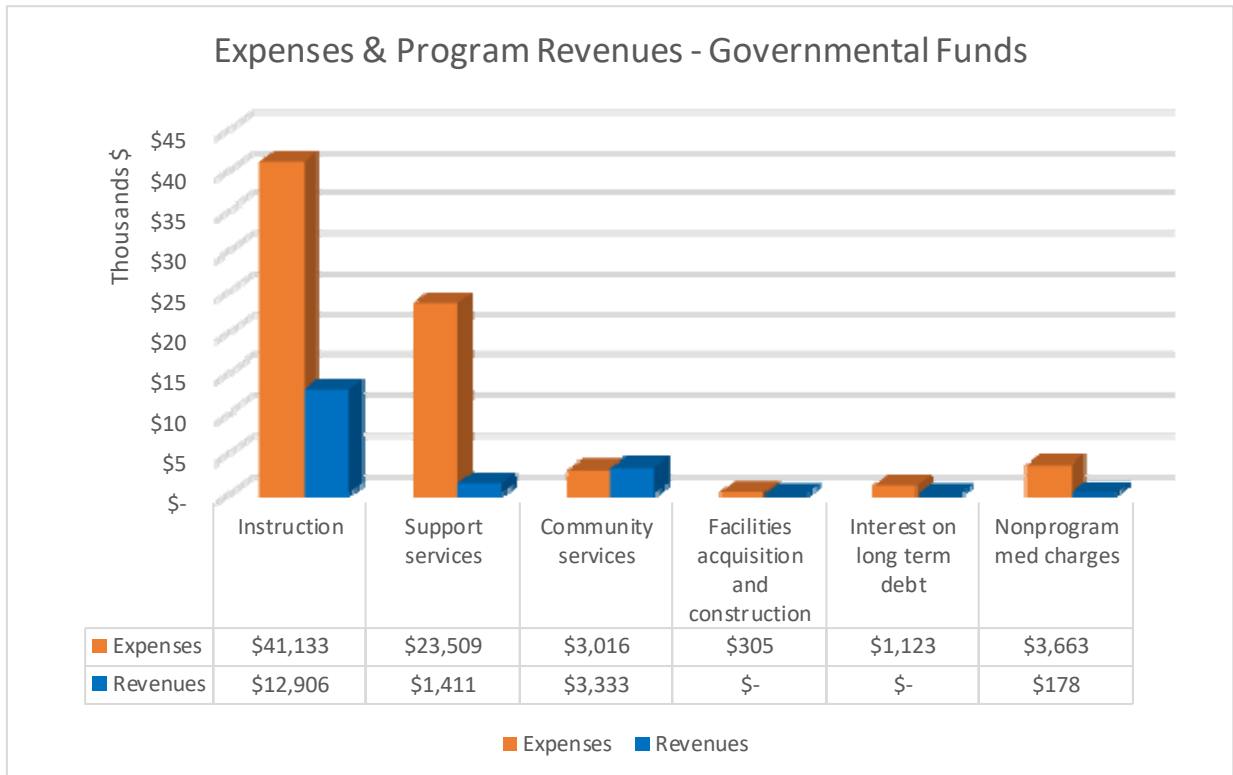
Instruction increased by \$2,826 from fiscal year ending June 30, 2020. The main reason for the increase was \$1.1 million in spending of Cares Act money and \$1.1 million relating to changes in the PERF and TRF plans.

Muncie Community Schools' overall cash and investments position, \$32,654 increased by \$4,654 from the fiscal year ended June 30, 2020. Muncie Community Schools' property tax rate for 2021 is \$1.1893 per \$100 of assessed value a decrease from \$1.279 for 2020.

### Program Revenue and Expenses – Governmental Activities

State aid, as in prior years, was Muncie Community Schools' major source of revenue supporting activities, primarily in the area of public education and general government. Other sources of revenue consisted primarily of property taxes, unrestricted investment earnings and miscellaneous revenue.

The following displays the Expenses and Program Revenues by function of Muncie Community Schools' governmental activities:

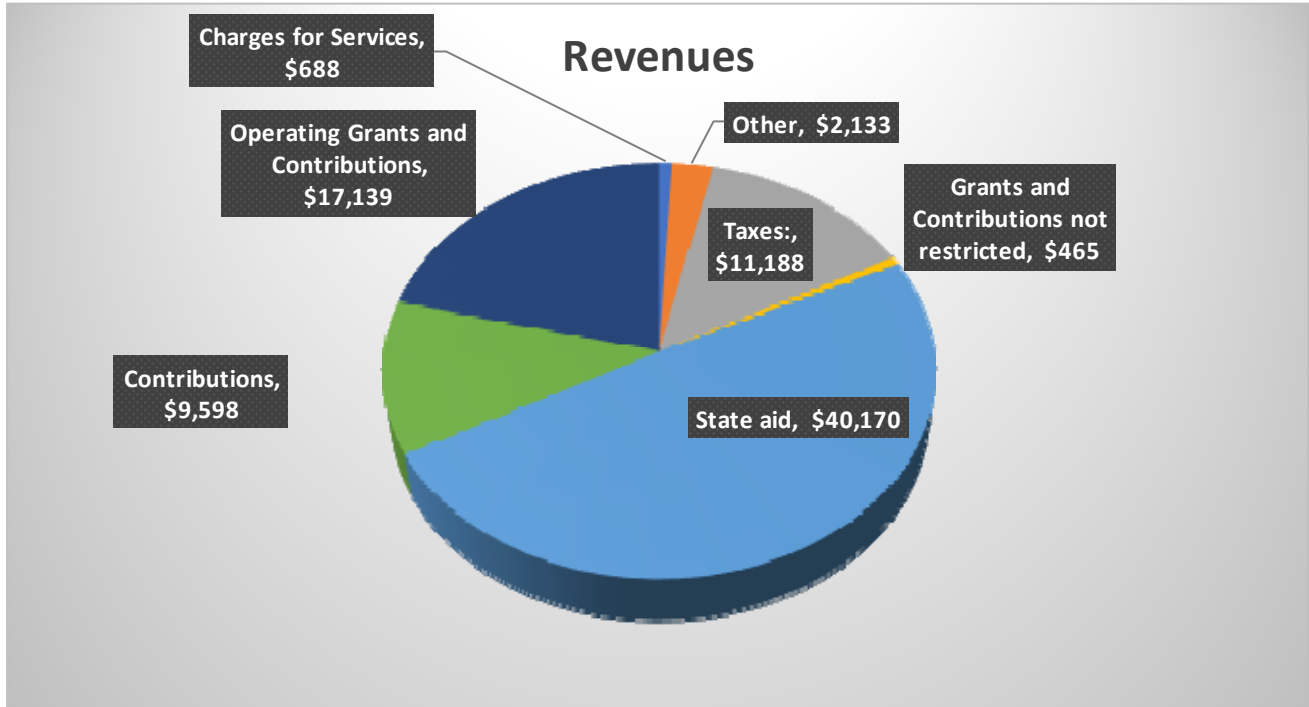


# MUNCIE COMMUNITY SCHOOLS

ANNUAL FINANCIAL REPORT  
For the Year Ended June 30, 2021

Management's Discussion and Analysis

The following displays the revenues by source for the School's governmental funds.



## Financial Analysis of the Government's Funds

As noted earlier, Muncie Community Schools uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** - The focus of Muncie Community Schools' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Muncie Community Schools' financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, Muncie Community Schools' governmental funds reported combined ending fund balances of \$35,722. Fund balances are the differences between assets and liabilities in a governmental fund. The school utilizes the five classifications: nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

The nonspendable fund balance includes amounts that are not in spendable form or amounts that are required to be maintained intact.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation.

# MUNCIE COMMUNITY SCHOOLS

## ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2021

### Management's Discussion and Analysis

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Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority.

Assigned fund balance applies to amounts that are intended for specific purposes as expressed by governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund.

Unassigned fund balances include all amounts not contained in other classifications for the general fund and deficit fund balances in any other governmental fund.

As of the end of the current fiscal year, Muncie Community Schools' governmental funds reported combined ending fund balances of \$35,722. The fund balance has restricted fund balance of \$24,599, committed fund balance of \$12,071, and unassigned fund balance of (\$947); see Note III.F.

The operations fund is the chief operating fund of Muncie Community Schools. The fund balance of Muncie Community Schools' operations fund is \$666 during the current fiscal year. Key factors are as follows:

- Expenditures exceeded revenues by \$10,130, excluding other financing sources and uses.
- Major sources of revenue include local sources, \$3,525 and transfers, \$9,216.
- Major expenditures include support services, \$12,732 and capital outlay, \$906.

The education fund is also a major fund for the current fiscal year. The fund balance for this major fund is \$24,246. The Rainy Day Fund is reported within this fund, which makes up 9,421 of the fund balance and is being reported as committed. The expenditures include instruction of \$22,630 and support services of \$6,533. Major sources of revenues include state sources of \$39,219 and local sources of \$2,443

The debt service fund is also a major fund in the current fiscal year. The fund balance for this major fund is \$2,033. The major sources of revenues include property taxes. The expenditures include debt service payments of \$745 and transfers to the building authority for debt service payments of \$8,821.

The following non-major funds saw significant balance variances during the year.

The Cafeteria Fund balance increased \$969 due to the school offering county wide meals, which were fully reimbursed by the Federal government, during the pandemic.

The 2014 GO Construction Bond fund had a decreased in fund balance of \$680 due to the spending of bond funds for the improvement of several school buildings.

### **Budgetary Highlights**

The Muncie Community School Board requested the business manager submit a budget that would allow for the continued operation of the school corporation. There were several assumptions used at the time of budget development, but when the actual budget information becomes available in January from the Department of Local Government Finance, Muncie Community Schools adjusts the budget accordingly. The Muncie Schools budget is prepared on a calendar year basis.

# MUNCIE COMMUNITY SCHOOLS

## ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2021

### Management's Discussion and Analysis

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#### Capital Asset and Debt Administration

**Capital assets** - Muncie Community Schools' investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$51,555 (net of accumulated depreciation). This investment in capital assets includes, land, buildings, improvements other than buildings, and machinery and equipment. A detailed note of these capital assets can be found in the Notes to Financial Statements (see Note III C).

Major capital asset events during the current fiscal year included the following:

- Buildings increased by \$3,180 due to the completion of construction in progress for several school improvements.

The following table displays Muncie Community Schools' capital assets.

#### Muncie Community Schools, Indiana, Capital Assets, as of June 30

Description	Governmental-Type Activities	
	2021	2020
Land	\$ 281	\$ 204
Construction in progress	-	1,812
Buildings	91,204	88,024
Improvements other than buildings	2,316	2,058
Machinery and equipment	3,312	3,259
Total Capital Assets	97,113	95,357
Accumulated depreciation	(45,558)	(43,757)
Net Capital Assets	\$ 51,555	\$ 51,600

**Long-term liabilities** - At the end of the current fiscal year, Muncie Community Schools had total long-term liabilities outstanding of \$44,378. Of this amount \$32,698 is comprised of bonds and \$11,680 of loans from the State.

The following table details the school's liabilities.

# MUNCIE COMMUNITY SCHOOLS

## ANNUAL FINANCIAL REPORT For the Year Ended June 30, 2021

### Management's Discussion and Analysis

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#### Muncie Community Schools, Indiana, Long-Term Debt, as of June 30

Description	Governmental-Type Activities	
	2021	2020
General obligation	\$ 32,698	\$ 36,282
Loan payable	11,680	12,360
Compensated absences	418	597
Net OPEB obligation	46	109
Net pension liabilities	2,796	2,602
Totals	<u>\$ 47,638</u>	<u>\$ 51,950</u>

Additional information of the school's debt can be found in the notes to the financial statements.

Muncie Community Schools maintains an "AA+" general obligation bond rating for the Indiana State Aid Intercept program from Standard & Poor's. The school has an underlying rating of BB- with concerns about the ability to meet core priority payments.

Muncie Community Schools recognized a Net Pension Liability as of June 30, 2021 of \$2,796. Additional information on the pension plans can be found in the notes to the financial statements.

#### Economic Factors and Next Year's Budget and Rates

- The 2020 tax rates for Muncie Community Schools decreased from \$1.2729 to a rate of \$1.1893 per \$100 in assessed value in 2021. Overall Muncie Community Schools' assessed value decreased by .32% from 2020 to 2021.

All the above factors were considered in preparing Muncie Community Schools' budget for the 2020 calendar year.

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and spread around the world, with resulting business and social disruption. Coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. In response, governments and businesses worldwide have restricted access to public facing institutions, those deemed non-essential. These closures have led to significant, adverse changes in macroeconomic conditions – constraints on supply chain, sourcing of inputs and workforce availability. The extent to which the coronavirus impacts results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact; among others.

#### Request for Information

This financial report is designed to provide a general overview of Muncie Community Schools' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Muncie Community Schools Business Manager, 4301 S Cowan Rd, Muncie, IN 47302.

## **BASIC FINANCIAL STATEMENTS**

# MUNCIE COMMUNITY SCHOOLS

## STATEMENT OF NET POSITION June 30, 2021

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 32,653,905
Receivables (net)	
Taxes receivable	4,110,425
Intergovernmental receivable	5,541,940
Accounts	284,991
Prepaid expenses	261,445
Capital assets	
Land and construction in progress	281,665
Other capital assets, net of depreciation	51,273,218
Total Assets	94,407,589
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related amounts	3,172,100
 <b>LIABILITIES</b>	
Accounts payable	1,176,107
Accrued wages and payroll withholding payable	1,366,521
Interest payable	408,392
Compensated absences payable	139,347
Claims payable	39,443
Noncurrent Liabilities	
Due within one year	
Bonds payable	3,420,000
Loans payable	680,000
Due in more than one year	
Loans payable	11,000,000
Bonds payable (net of premiums)	29,278,042
Compensated absences	418,043
Total OPEB liability	45,739
Net pension liabilities	2,796,290
Total Liabilities	50,767,924
 <b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related amounts	4,185,170
 <b>NET POSITION</b>	
Net investment in capital assets	19,518,989
Restricted for:	
Instruction	25,017,230
Support services	6,066,758
Community services	5,814
Building acquisition and construction	505,771
Other	527,956
Debt service	4,155,768
Unrestricted (deficit)	(13,171,691)
<b>TOTAL NET POSITION</b>	<b>\$ 42,626,595</b>

*See notes to financial statements*

# MUNCIE COMMUNITY SCHOOLS

## STATEMENT OF ACTIVITIES For the year ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental Activities:				
Instruction	\$ 41,133,560	\$ 241,623	\$ 12,663,698	\$ (28,228,239)
Support services	23,508,844	269,064	1,142,373	(22,097,407)
Community services	3,016,425	-	3,333,397	316,972
Facilities acquisition and construction	304,623	-	-	(304,623)
Interest on long term debt	1,082,751	-	-	(1,082,751)
Nonprogrammed charges	<u>3,662,757</u>	<u>177,633</u>	<u>-</u>	<u>(3,485,124)</u>
Total Governmental Activities	<u>72,708,960</u>	<u>688,320</u>	<u>17,139,468</u>	<u>(54,881,172)</u>
General Revenues:				
Property taxes				9,848,623
Other taxes				1,339,664
State aid				40,169,717
Grants and contributions not restricted to specific programs				465,135
Investment income				27
Nonemployer entity contributions				9,108,441
Contributions				490,000
Sale of property				19,827
Transfers				106,614
Miscellaneous				<u>2,006,873</u>
Total General Revenues				<u>63,554,921</u>
<b>Change in Net Position</b>				<b>8,673,749</b>
NET POSITION - BEGINNING OF YEAR				<u>33,952,846</u>
<b>NET POSITION - END OF YEAR</b>				<b><u>\$ 42,626,595</u></b>

*See notes to financial statements*

**MUNCIE COMMUNITY SCHOOLS**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021

	Education Fund	Debt Service Fund	Operations Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 19,377,027	\$ 2,033,282	\$ 965,913	\$ 9,945,765	\$ 32,321,987
Receivables:					
Taxes	-	2,996,057	1,114,368	-	4,110,425
Intergovernmental	4,099,985	-	-	1,441,955	5,541,940
Accounts	255,600	-	16,864	12,527	284,991
Due from other funds	1,907,305	-	-	-	1,907,305
<b>TOTAL ASSETS</b>	<b>\$ 25,639,917</b>	<b>\$ 5,029,339</b>	<b>\$ 2,097,145</b>	<b>\$ 11,400,247</b>	<b>\$ 44,166,648</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 421,396	\$ -	\$ 245,856	\$ 392,732	\$ 1,059,984
Accrued wages	972,768	-	70,986	322,767	1,366,521
Due to other funds	-	-	-	1,907,305	1,907,305
<b>TOTAL LIABILITIES</b>	<b>1,394,164</b>	<b>-</b>	<b>316,842</b>	<b>2,622,804</b>	<b>4,333,810</b>
Deferred inflows of resources					
Unavailable revenues	-	2,996,057	1,114,368	-	4,110,425
Fund Balances					
Restricted	14,824,853	2,033,282	665,935	7,074,529	24,598,599
Committed	9,420,900	-	-	2,650,062	12,070,962
Unassigned (deficit)	-	-	-	(947,148)	(947,148)
<b>TOTAL FUND BALANCES</b>	<b>24,245,753</b>	<b>2,033,282</b>	<b>665,935</b>	<b>8,777,443</b>	<b>35,722,413</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 25,639,917</b>	<b>\$ 5,029,339</b>	<b>\$ 2,097,145</b>	<b>\$ 11,400,247</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the fund statements. See Note III.C.	51,554,883
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position	176,352
Some revenues that are not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	
Unavailable revenues	4,110,425
Some assets, are not received in the current period, and therefore, are not reported in the fund financial statements.	
Prepaid expenses	261,445
Deferred outflows of resources related to pensions do not relate to current financial resources are not reported in the governmental funds.	
Deferred outflows - pensions	3,172,100
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(4,185,170)
Other liabilities - compensated absences and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds statements	
Interest payable	(408,392)
Compensated absences	(557,390)
Long-term liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the fund financial statements. See Note III.E.	
Bonds payable	\$ (32,698,042)
Loans payable	(11,680,000)
Net pension liability	(2,796,290)
Total OPEB liability	<u>(45,739)</u>
	<u>(47,220,071)</u>

**NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 42,626,595**

*See notes to financial statements*

**MUNCIE COMMUNITY SCHOOLS**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the year ended June 30, 2021

	Education Fund	Debt Service Fund	Operations Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Local sources	\$ 2,443,034	\$ 9,487,009	\$ 3,524,962	\$ 2,187,420	\$ 17,642,425
Intermediate sources	-	-	-	581	581
State sources	39,218,704	-	-	11,902,541	51,121,245
Federal sources	-	-	-	3,009,293	3,009,293
Other	-	-	-	177,633	177,633
<b>TOTAL REVENUES</b>	<u>41,661,738</u>	<u>9,487,009</u>	<u>3,524,962</u>	<u>17,277,468</u>	<u>71,951,177</u>
<b>EXPENDITURES</b>					
Current					
Instruction	22,632,001	-	-	8,645,197	31,277,198
Support services	6,532,897	-	12,732,465	4,996,601	24,261,963
Community services	359,835	-	-	2,656,717	3,016,552
Facilities acquisition and construction	-	-	17,197	287,426	304,623
Nonprogrammed charges	1,862	-	-	427,642	429,504
Debt service					
Principal paid on debt	600,000	505,000	-	3,120,000	4,225,000
Interest on debt	-	240,309	-	946,133	1,186,442
Capital outlay	-	-	905,855	526,993	1,432,848
<b>TOTAL EXPENDITURES</b>	<u>30,126,595</u>	<u>745,309</u>	<u>13,655,517</u>	<u>21,606,709</u>	<u>66,134,130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,535,143</u>	<u>8,741,700</u>	<u>(10,130,555)</u>	<u>(4,329,241)</u>	<u>5,817,047</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of property	-	-	19,827	-	19,827
Transfers in	360,717	-	9,216,461	5,654,228	15,231,406
Transfers out	<u>(4,765,624)</u>	<u>(8,821,307)</u>	<u>-</u>	<u>(1,537,861)</u>	<u>(15,124,792)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>(4,404,907)</u>	<u>(8,821,307)</u>	<u>9,236,288</u>	<u>4,116,367</u>	<u>126,441</u>
<b>Net change in fund balances</b>	7,130,236	(79,607)	(894,267)	(212,874)	5,943,488
FUND BALANCES - BEGINNING OF YEAR AS RESTATED (NOTE III - G)					
	<u>17,115,517</u>	<u>2,112,889</u>	<u>1,560,202</u>	<u>8,990,317</u>	<u>29,778,925</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 24,245,753</u>	<u>\$ 2,033,282</u>	<u>\$ 665,935</u>	<u>\$ 8,777,443</u>	<u>\$ 35,722,413</u>

See notes to financial statements

## MUNCIE COMMUNITY SCHOOLS

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the year ended June 30, 2021

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Net change in fund balances - total governmental funds	\$ 5,943,488
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital assets purchased	1,432,848
Capital assets from accounts payable	153,754
Depreciation	(2,105,599)
Contributions	490,000
Loss on asset disposals	(16,221)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds statements

Unavailable revenues	(1,508,536)
----------------------	-------------

The issuance of long-term debt (e.g. bonds, leases) provide current financial resources to governmental fund, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal paid on bonds	3,545,000
Amortization of bond premium	39,233
Principal paid on loans	680,000

Changes in net pension liability related to pension obligations are reported in the government wide statement of activities.

Total OPEB Liability	63,001
Net Pension Liabilities	(821,860)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

Change in interest payable	64,458
Change in prepaid expenses	58,339
Change in compensated absences	39,292
Change in deferred outflows	145,260

Some revenues reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as revenue in the funds.

Change in deferred inflows	521,295
----------------------------	---------

Internal Service Funds are used by management to change the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

(50,003)
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#### **CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

<u>\$ 8,673,749</u>
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# MUNCIE COMMUNITY SCHOOLS

## STATEMENT OF NET POSITION - PROPRIETARY FUND June 30, 2021

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	<u>Internal Service Fund</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and investments	\$ <u>331,918</u>
Total Assets	<u>331,918</u>
<b>LIABILITIES AND NET POSITION</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable	116,123
Claims payable	<u>39,443</u>
Total Current Liabilities	<u>155,566</u>
<b>NET POSITION</b>	
Unrestricted	<u>176,352</u>
<b>TOTAL NET POSITION</b>	<u>\$ 176,352</u>

See notes to financial statements

## MUNCIE COMMUNITY SCHOOLS

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND

For the year ended June 30, 2021

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	Internal Service Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 1,167,142
Other	48,040
Total Operating Revenues	<u>1,215,182</u>
<b>OPERATING EXPENSES</b>	
Health and dependent care costs	<u>1,265,185</u>
Operating loss	<u>(50,003)</u>
<b>Change in Net Position</b>	(50,003)
NET POSITION - BEGINNING OF YEAR	<u>226,355</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 176,352</u>

See notes to financial statements

# MUNCIE COMMUNITY SCHOOLS

## STATEMENT OF CASH FLOWS - PROPRIETARY FUND For the year ended June 30, 2021

---

	<u>Internal Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from customers	\$ 1,215,182
Payments for interfund services used	<u>(1,306,952)</u>
Net Cash Flows From Operating Activities	<u>(91,770)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(91,770)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>423,688</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 331,918</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating loss	\$ (50,003)
Adjustments to Reconcile Operating loss to Net Cash Flows From Operating Activities	
Changes in assets, deferred outflows, liabilities and deferred inflows	
Accounts payable	116,123
Claims payable	<u>(157,890)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (91,770)</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION</b>	
Cash and investments	<u>\$ 331,918</u>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 331,918</u>

See notes to financial statements

# MUNCIE COMMUNITY SCHOOLS

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS June 30, 2021

---

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 706,170
Intergovernmental receivable	<u>295,344</u>
 TOTAL ASSETS	 <u>1,001,514</u>
<b>LIABILITIES</b>	
Trust payable	<u>30,304</u>
 TOTAL LIABILITIES	 <u>30,304</u>
 <b>TOTAL FIDUCIARY NET POSITION RESTRICTED FOR EXTRA CURRICULAR ACTIVITY</b>	 <b>\$ <u>971,210</u></b>

See notes to financial statements

# MUNCIE COMMUNITY SCHOOLS

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS For the year ended June 30, 2021

---

<u>Additions</u>	<u>Custodial Funds</u>
Student receipts	\$ 112,218
Faculty receipts	73,972
Local sources	472
Fundraisers	928
Federal sources	1,962,450
State sources	2,888,392
Transfers in	12,245
Other	<u>251,910</u>
Total additions	<u>5,302,587</u>
 <u>Deductions</u>	
Student activities	98,632
Support services	36,950
Instruction	198,983
Paid to other governments	4,146,497
Transfers out	118,859
Other	<u>112,254</u>
Total deductions	<u>4,712,175</u>
Changes in net position	590,412
Net position - beginning	<u>380,798</u>
Net position - ending	<u>\$ 971,210</u>

See notes to financial statements

# MUNCIE COMMUNITY SCHOOLS

## INDEX TO NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The Muncie Community Schools (primary government) was established under the laws of the State of Indiana. The primary government operates under a Board of School Trustees from of government and provides education services.

The accounting policies of the Muncie Community Schools, conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### ***A. REPORTING ENTITY***

This report includes all of the funds of the school corporation. The school corporation is a component unit of Ball State University, Indiana. The reporting entity for the school corporation consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended, or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens, or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

# MUNCIE COMMUNITY SCHOOLS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### A. REPORTING ENTITY (cont.)

#### ***Blended Component Units***

The Building Corporation of Muncie Schools is a blended component unit of the School Corporation. The Building Corporation of Muncie Schools was created for the purpose of financing School buildings and improvements. Although it is legally separate from the primary government, the Building Corporation is reported as if it were a part of the primary government because it provided services entirely or almost entirely to the primary government. To exclude the financial statements of this component unit would render the School's financial statements incomplete or misleading. The Building Corporation is included as a debt service fund (to account for the retirement of debt). Complete financial statements of this component unit may be obtained from:

Muncie Community Schools  
4301 South Cowan Road  
Muncie, IN 47302

### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. This statement establishes criteria for reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. This standard was implemented June 30, 2021. There was no impact on the School's financial statements as a result of the adoption.

#### ***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Direct expenses are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements***

Financial statements of the school corporation 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, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental statements. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the school corporation or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the school corporation believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The school corporation reports the following major governmental funds:

Education Fund - accounts for all financial resources of the general government related to education of students. The Education fund also contains activity related to the School's Rainy Day Fund. The School's Rainy Day fund is established in accordance with 36-1-8-5.1.

Operations Fund - accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - accounts for all financial resources related to the debt of the general government

The school corporation reports the following nonmajor governmental fund types:

Special Revenue Funds - used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***Fund Financial Statements (cont.)***

The school corporation reports the following nonmajor governmental and enterprise funds: (cont.)

Debt Service Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

In addition, the school corporation reports the following fund types:

Internal Service Funds - used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the school corporation, or to other governmental units, on a cost-reimbursement basis.

Custodial Funds - used to account for and report assets controlled by the school corporation and the assets are for the benefit of individuals, private organizations, and/or other governmental units.

#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

##### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### *C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)*

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the school corporation considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recognized as revenues in the year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the school corporation is entitled to the resources and the amounts are available. Amounts owed to the school corporation which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

##### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY***

##### ***1. Deposits and Investments***

For purposes of the statement of cash flows, the school corporation considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

The School Corporation's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

See Note III. A. for further information.

##### ***2. Receivables***

Property taxes levied are collected by the County Treasurer and are distributed to the primary government 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 December 31 of the year preceding the budget year or January 15 of the budget year if the County is issuing debt after December 1 or intends of filing a shortfall appeal. 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 that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year end for governmental proprietary funds are recorded as a receivable with an offset to deferred inflows of resources – unavailable revenue since the amounts are not considered available.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position.

##### ***3. Inventories and Prepaid Items***

Governmental fund inventories, if material, are recorded at cost based on the FIFO method using the purchases method of accounting.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **4. Capital Assets**

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$10,000. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset for assets entered into the systems through June 30, 2021 is as follows:

Land	NA Years
Buildings	7-50 Years
Improvements other than buildings	5-50 Years
Machinery/vehicles/equipment	5-50 Years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

##### **5. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time. The School Corporation is reporting deferred outflows of resources for pension related amounts.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide financial statements.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***6. Compensated Absences***

Teachers earn sick and vacation days at rates from 7 days to 10 days per year and 3 days to 4 days per year respectively, based on number of years of service. Sick leave may be accumulated to a maximum of 185 days. Accumulated sick leave is paid to employees with more than 10 years of service for employees hired before June 30, 2018 and 15 years of service for employees hired after 6/30/18 upon retirement. Support staff earn sick days, personal days and vacation in the amount of 10 days, 3 days and 10 days per year. Support staff not working twelve months do not earn vacation days. Sick days may be accumulated up to a maximum of 260 days. Sick days will be paid for employees with more than 10 years of service upon retirement/termination. Twelve-month administrators earn vacation days, sick days and personal days at a rate of 20 days, 10 days and 3 days respectively. Vacation days of up to five days may be rolled to the next year and sick days may be accumulated up to the number of days to bridge to retirement. Unused balances are not paid upon termination. Less than twelve-month administrators earn 10 sick days and 3 personal days per year. Sick days may be accumulated to the number of days necessary to bridge to disability benefits. Unused balances are not paid upon termination. Only amounts due and payable at year-end to terminated employees are included in the fund statements. Based on management assumptions 25% of compensated absences is short-term and the remaining 75% is considered long-term.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2021, are determined on the basis of current salary rates and include salary related payments.

##### ***7. Long-Term Obligations***

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures.

##### ***8. Deferred Inflows of Resources***

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. The School Corporation is reporting deferred inflows for pension related amounts.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **9. Equity Classifications**

###### ***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

###### ***Fund Statements***

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

# MUNCIE COMMUNITY SCHOOLS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***9. Equity Classifications (cont.)***

##### ***Fund Statements (cont.)***

- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the School Corporation Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the School Corporation Board that originally created the commitment. The Rainy Day Fund is a stabilization fund and is included as part of the Education Fund. The Board has set aside this money into the Rainy Day Fund to pay back the a loan from the State of Indiana, emergency repairs, or any designated purpose as authorized by the School Board. The Rainy Day Fund potion of the fund balance reported in the Education fund is being reported as committed.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The School Corporation Board has, by resolution, adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

The school corporation considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the school corporation would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

Fiduciary fund net position is classified as restricted for pool participants, individuals, organizations, and other governments on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the school corporation believes it is in compliance with all significant restrictions.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***10. Postemployment Benefits Other Than Pensions (OPEB)***

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the School Corporation OPEB Plan and additions to/deductions from the School Corporation OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the School Corporation OPEB Plan. For this purpose, the School Corporation OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

##### ***11. Pensions***

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions expense, information about the fiduciary net position of the Indiana Public Employees' Retirement Fund, the Teachers' Retirement Fund (TRF), and the Pre-96 TRF Fund (the Plans), and additions to and deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with benefit terms. Pension investments are reported at fair value.

Although the School Corporation participates in the TRF Pre-1996 Plan, this has not been included in the measurement of net pension liabilities and related deferred inflows and outflows of resources. The TRF Pre-1996 Plan is a liability of the State of Indiana, due to its status as a special funding situation. The School Corporation does not make contributions to the plan. The School Corporation records revenue and expense at the government wide level for the School's Corporations share of pension expense related to TRF Pre-1996 participants.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### **NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **A. DEFICIT BALANCES**

Generally accepted accounting principles require disclosure of individual funds that have deficit fund balances at year end.

As of June 30, 2021, the following individual funds held a deficit fund balance:

Fund	Amount	Reason
2016/17 McKinney-Vento Education	\$ 183	Reimbursable grants
Digital Learning Building	843	Reimbursable grants
CTE Summer Bridge Program	1,871	Reimbursable grants
ESSER II Grant	3,977	Reimbursable grants
2018/19 Title I Basic Grant	217,110	Reimbursable grants
Adult Basic Education Grants	5,089	Reimbursable grants
Cares Act Grants	20,118	Reimbursable grants
Dual Language Grants	4,308	Reimbursable grants
Perkins Grants	5,632	Reimbursable grants
Secured School Grants	5,133	Reimbursable grants
Special Education	359,059	Reimbursable grants
Title I Grants	286,634	Reimbursable grants
Title II Grants	26,706	Reimbursable grants
Title III Grants	443	Reimbursable grants
Title IV Grants	10,042	Reimbursable grants

### **NOTE III - DETAILED NOTES ON ALL FUNDS**

#### **A. DEPOSITS AND INVESTMENTS**

The school corporation's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Checking Accounts	<u>\$ 33,360,075</u>	<u>\$ 33,632,912</u>	Custodial Risk
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 32,653,905		
Per statement of Statement of Fiduciary Net Position - Fiduciary Funds			
Custodial Funds	<u>706,170</u>		
Total Deposits and Investments	<u>\$ 33,360,075</u>		

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### **A. DEPOSITS AND INVESTMENTS (cont.)**

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 Indiana Public Deposit Insurance Fund, which cover all public funds held in approved depositories.

#### ***Custodial Credit Risk***

##### **Deposits**

Custodial credit risk is the risk that in the event of a financial institution failure, the school corporation's deposits may not be returned to the school corporation.

The School Corporation's deposit policy for custodial credit risk is to comply with Indiana Code 5-13-8-1.

#### ***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The School's investment policy for credit risk is to stay in compliance with Indiana Code.

#### ***Concentration of Credit Risk***

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The School's investment policy for concentration of credit risk is to limit investments to not more than 50% of the funds held by the investing officer and available for investment.

#### ***Interest Rate Risk***

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

The school must follow state statute and limit the stated final maturities of the investments to no more than five years. The School does not have a formal investment policy for interest rate risk for investments but has elected to follow Indiana State Statutes.

See Note I.D.1. for further information on deposit and investment policies.

#### **B. RECEIVABLES**

All of the receivables on the balance sheet are expected to be collected within one year.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### B. RECEIVABLES (cont.)

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>
Taxes Receivable	\$ 4,110,425
Total Unavailable Revenue for Governmental Funds	\$ 4,110,425

#### C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 204,000	\$ 77,665	\$ -	\$ 281,665
Construction in progress	1,812,174	661,997	2,474,171	-
Total Capital Assets Not Being Depreciated	2,016,174	739,662	2,474,171	281,665
Capital assets being depreciated				
Buildings	88,024,332	3,225,084	45,290	91,204,126
Improvements other than buildings	2,057,373	258,660	-	2,316,033
Machinery and equipment	3,258,916	327,367	274,558	3,311,725
Total Capital Assets Being Depreciated	93,340,621	3,811,111	319,848	96,831,884
Total Capital Assets	95,356,795	4,550,773	2,794,019	97,113,549
Less: Accumulated depreciation for				
Buildings	(39,530,279)	(1,851,925)	37,364	41,344,840
Improvements other than buildings	(1,529,080)	(81,822)	-	1,610,902
Machinery and equipment	(2,697,335)	(171,852)	266,263	2,602,924
Total Accumulated Depreciation	(43,756,694)	(2,105,599)	303,627	45,558,666
Net Capital Assets Being Depreciated	49,583,927	1,705,512	16,221	51,273,218
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 51,600,101	\$ 2,445,174	\$ 2,490,392	\$ 51,554,883

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### *D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS*

##### *Interfund Receivables/Payables*

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash:

Receivable Fund	Payable Fund	Amount
Education Fund	Nonmajor governmental funds	\$ 1,907,305
Total - Fund Financial Statements		1,907,305
Less: Government-wide eliminations		<u>(1,907,305)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u><u>\$ -</u></u>

All amounts are due within one year.

The principal purpose of these interfunds is to offset negative cash balances.

##### *Transfers*

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Operations Fund	Education Fund	\$ 4,616,700	For support of operations fund
Other Governmental Funds	Education Fund	148,924	Reimbursement from Title I for summer school transportation
Operations Fund	Debt Service Fund	4,599,761	Debt service payments
Other Governmental Funds	Debt Service Fund	4,221,546	Building Corporation transfers and transfer of unreimbursed textbook rental
Education Fund	Other Governmental Funds	254,103	Payroll transfers
Other Governmental Funds	Other Governmental Funds	1,271,513	Special education transfers
Other Governmental Funds	Custodial Funds	12,245	Special education transfers
Education Fund	Custodial Funds	106,614	Special education transfers
Custodial Funds	Other Governmental Funds	<u>12,245</u>	Special education transfers
Total - Fund Financial Statements		15,243,651	
Less: Fund eliminations		<u>(15,137,037)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 106,614</u></u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the education fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### *E. LONG-TERM OBLIGATIONS*

Long-term obligations activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 36,180,000	\$ -	\$ 3,545,000	\$ 32,635,000	\$ 3,420,000
Loan payable	12,360,000	-	680,000	11,680,000	680,000
(Discounts)/Premiums	102,275	-	39,233	63,042	-
Sub-totals	48,642,275	-	4,264,233	44,378,042	4,100,000
Other Liabilities					
Compensated absences	596,682	109,878	149,170	557,390	139,347
Total OPEB liability	108,740	2,295	65,296	45,739	-
Net pension liabilities	2,602,407	958,480	764,597	2,796,290	-
Total Other Liabilities	3,307,829	1,070,653	979,063	3,399,419	139,347
Total Governmental Activities Long-Term Liabilities	\$ 51,950,104	\$ 1,070,653	\$ 5,243,296	\$ 47,777,461	\$ 4,239,347

#### **General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the school corporation. Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the debt service fund.

#### **Governmental Activities**

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance June 30, 2021
2014 General Obligation Bonds	05/28/2014	01/15/2024	1% to 3%	\$ 10,000,000	\$ 7,665,000
First Mortgage Refunding Bonds, Series 2015B	07/16/2015	01/15/2023	2.60%	11,130,000	6,485,000
Taxable First Mortgage Refunding Bonds, Series 2017A	12/07/2017	12/31/2032	5.00%	3,100,000	3,100,000
Taxable First Mortgage Refunding Bonds, Series 2017B	12/07/2017	12/31/2032	3.65%	15,385,000	15,385,000
Total Governmental Activities - General Obligation Debt					\$ 32,635,000

**MUNCIE COMMUNITY SCHOOLS**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**E. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2022	\$ 3,420,000	\$ 978,643
2023	3,740,000	1,000,748
2024	6,990,000	874,353
2025	1,750,000	699,730
2026	1,820,000	631,494
2027-2031	10,245,000	2,030,394
2032-2036	<u>4,670,000</u>	<u>228,914</u>
Totals	<u>\$ 32,635,000</u>	<u>\$ 6,444,276</u>

**Loans Payable**

Loans Payable at June 30, 2021 consists of the following:

Governmental Activities Loans Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance June 30, 2021
Common School Loan	11/20/2018	6/1/2028	0.00%	\$ 12,000,000	\$ 11,400,000
Common School Loan B0158	11/26/2019	12/1/2024	1.00%	400,000	<u>280,000</u>
Total Governmental Activities Loans Payable					<u>\$ 11,680,000</u>

Debt service requirements to maturity are as follows:

Years	Governmental Activities Loans Payable	
	Principal	Interest
2022	\$ 680,000	\$ 2,600
2023	680,000	1,800
2024	1,280,000	1,000
2025	2,200,000	200
2026	2,220,000	-
2027-2031	<u>4,620,000</u>	<u>-</u>
Totals	<u>\$ 11,680,000</u>	<u>\$ 5,600</u>

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### F. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at June 30, 2021, includes the following:

##### **Governmental Activities**

Net Investment in Capital Assets		
Land	\$	281,665
Other capital assets, net of accumulated depreciation		51,273,218
Less: General obligation debt outstanding		(32,635,000)
Plus: Unspent bond proceeds		662,148
Less: Unamortized debt premium		<u>(63,042)</u>
 Total Net Investment in Capital Assets	 \$	 <u><u>19,518,989</u></u>

##### **Governmental Funds**

Governmental fund balances reported on the fund financial statements at June 30, 2021, include the following:

	Education Fund	Debt Service Fund	Operations Fund	Nonmajor Funds	Totals
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
<b>Restricted for:</b>					
Instruction	\$ 14,824,853	\$ -	\$ -	\$ 745,650	\$ 15,570,503
Support Services	-	-	665,935	3,230,871	3,896,806
Debt Service	-	2,033,282	-	2,122,486	4,155,768
Building Acquisition	-	-	-	504,797	504,797
Other	-	-	-	470,725	470,725
Sub-total	<u>14,824,853</u>	<u>2,033,282</u>	<u>665,935</u>	<u>7,074,529</u>	<u>24,598,599</u>
<b>Committed to:</b>					
Instruction	-	-	-	25,193	25,193
Support Services	-	-	-	2,560,850	2,560,850
Community Services	-	-	-	5,814	5,814
Building Acquisition	-	-	-	974	974
Other	-	-	-	57,231	57,231
Debt Service	9,420,900	-	-	-	9,420,900
Sub-total	<u>9,420,900</u>	<u>-</u>	<u>-</u>	<u>2,650,062</u>	<u>12,070,962</u>
<b>Unassigned (deficit):</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(947,148)</u>	<u>(947,148)</u>
 <b>Total Fund Balances (Deficit)</b>	 <u><u>\$ 24,245,753</u></u>	 <u><u>\$ 2,033,282</u></u>	 <u><u>\$ 665,935</u></u>	 <u><u>\$ 8,777,443</u></u>	 <u><u>\$ 35,722,413</u></u>

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### G. RESTATEMENT OF FUND BALANCES

Fund balance has been restated to move Rainy Day Fund balances to be reported with the Education Fund.

##### Education Fund

Education Fund balance - June 30, 2020 (as reported)	\$ 10,694,617
Add: Rainy Day Fund Balance	<u>6,420,900</u>
Fund Balance - June 30, 2020 (as restated)	<u><u>\$ 17,115,517</u></u>

##### Rainy Day Fund

Rainy Day Fund balance - June 30, 2020 (as reported)	\$ 6,420,900
Less: Combined with Education Fund	<u>(6,420,900)</u>
Fund Balance - June 30, 2020 (as restated)	<u><u>\$ -</u></u>

A prior period adjustment was made to change the reporting presentation of the Rainy Day Fund, which was historically reported as a Special Revenue Fund to be part of the Education Fund. The adjustment was due the Rainy Day Fund not having specific restricted or committed revenue sources but whose main funding source are transfers in from other funds, thereby not qualifying as a Special Revenue Fund under GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions*.

The Rainy Day Fund balance of \$6.4 million at June 30, 2020 is now reported as part of the Education Fund. For the period ended June 30, 2020, the only significant activity of the Rainy Day Fund were from transfers in from the Education Fund totaling approximately \$5.8 million. These transfers were eliminated for fund level financial reporting.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION

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#### *A. EMPLOYEES' RETIREMENT SYSTEM*

##### ***Public Employees' Retirement Fund***

***Plan description.*** The School Corporation participates in the Public Employees' Retirement Fund, a cost-sharing multiple-employer defined benefit plan effective July 1, 2013 based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11(b). PERF was established to provide retirement, disability, and survivor benefits to full-time employees of the State of Indiana not covered by another plan, those political subdivisions that elect to participate in the retirement plan, and certain INPRS employees. Political subdivisions mean a county, city, town, township, political body corporate, public school corporation, public library, public utility of a county, city, town, township, and any department of, or associated with, a county, city, town, or township, which department receives revenue independently of, or in addition to, funds obtained from taxation. There are two (2) tiers to the PERF Plan. The first is the Public Employees' Defined Benefit Plan (PERF Hybrid Plan) and the second is the My Choice Retirement Savings Plan for Public Employees (My Choice). Details of the PERF Hybrid Plan are described below.

***PERF Hybrid Plan Description.*** The PERF Hybrid Plan was established by the Indiana Legislature in 1945 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2, IC 5-10.3, and IC 5-10.5. There are two (2) aspects to the PERF Hybrid Plan defined benefit structure. The first portion is the monthly defined benefit pension that is funded by the employer. The second portion of the PERF Hybrid Plan benefit structure is the Public Employees' Hybrid Members Defined Contribution Account (DC Account), formerly known as the Annuity Savings Account (ASA), which that supplements the defined benefit at retirement.

***Contributions.*** Members are required to contribute 3 percent of their annual covered salary to their defined contribution account. The primary government is required to contribute at an actuarially determined rate; the current rate for calendar year 2020 is 11.20 percent of annual covered payroll. The rate for 2021 is also 11.20 percent. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the School Corporation were \$480,848 for the fiscal year ended June 30, 2020 measurement date.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *A. EMPLOYEES' RETIREMENT SYSTEM (cont.)*

##### *Public Employees' Retirement Fund (cont.)*

Retirement Benefits. The PERF Hybrid Plan retirement benefit consists of the sum of a defined pension benefit provided by employer contributions plus the amount credited to the member's a DC Account. Pension benefits vest after 10 years of creditable service. The vesting period is eight (8) years for certain elected officials. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested PERF members leaving a covered position, who wait 30 days after termination, may withdraw their DC account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the DC Account. A non-vested member who terminates employment prior to retirement may withdraw his/her DC Account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years of creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) different groups. For PERF members who serve as an elected official, the highest one (1) year (total of four (4) consecutive quarters) of annual compensation is used. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable service is at least 85 is entitled to 100 percent of the benefits as described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *A. EMPLOYEES' RETIREMENT SYSTEM (cont.)*

##### *Public Employees' Retirement Fund (cont.)*

**Disability and Survivor Benefits.** The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

**Retirement Benefits – My Choice.** Members are required to participate in My Choice. The My Choice DC Account consists of the member's contributions, set by statute at three (3) percent of compensation as defined by IC 5-10.2-3-2 for PERF, plus the interest/earnings or losses credited to the member's account. The employer may elect to make the contributions on behalf of the member. The School Corporation has elected to make the contributions on behalf of the member. In addition, under certain conditions, members may elect to make additional voluntary contributions of up to 10 percent of their compensation into their DC Account. A member's contributions and interest credits belong to the member and do not belong to the State or political subdivision.

**Rate of Return.** The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2020, which is being utilized as the measurement date, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 2.58 percent.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Public Employees' Retirement Fund (cont.)*

##### **Net Pension Liability**

At June 30, 2021 the school corporation reported a liability of \$2,436,250 for its proportionate share of the net pension liability, based on the June 30, 2020 measurement date. The school corporation's proportion of the total was measured on the ratio of the wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. The plan does not have a special funding situation, as there is not a non-employer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At the June 30, 2020 measurement date, the school corporation's proportion was 0.08066% an increase of 0.00192% from the 0.07874% at 6/30/2019. The net pension liability as of June 30, 2021 is calculated, using the measurement date of June 30, 2020, as set forth in the following table:

	<u>PERF Plan Totals</u>
Net pension liability - beginning	\$ 2,602,407
Differences between projected and actual experience	(58,458)
Net difference between projected and actual investment	331,513
Change of assumptions	(225,291)
Changes in proportion and differences between employer contributions and proportionate share of contributions	245,991
Pension expense	20,936
Contributions	<u>(480,848)</u>
Net pension liability - ending	<u>\$ 2,436,250</u>

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Public Employees' Retirement Fund* (cont.)

**Deferred Outflows of Resources and Deferred Inflows of Resources.** At June 30, 2021, the school corporation reported deferred outflows of resources and deferred inflows of resources related to pensions, based on the measurement date of June 30, 2020, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 43,163	\$ 32,710
Changes in assumptions	-	507,613
Net differences between projected and actual earnings on pension plan investments	208,504	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	52,999	153,598
Employer contributions subsequent to the measurement date	534,875	-
Totals	\$ 839,541	\$ 693,921

\$534,875 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2022, with a measurement date of June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Measurement Date Year Ended June 30,	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2021	\$ (356,838)
2022	(96,729)
2023	(24,454)
2024	88,566

# MUNCIE COMMUNITY SCHOOLS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

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## NOTE IV - OTHER INFORMATION (cont.)

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### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

#### *Public Employees' Retirement Fund* (cont.)

**Pension Expense.** The School Corporation recognized pension expense, for the measurement date of June, 2020, for the following proportionate share of pension expense:

Pension Expense	
Proportionate share of plan pension expense	\$ 196,202
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(175,266)</u>
Total	<u><u>\$ 20,936</u></u>

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### **Public Employees' Retirement Fund** (cont.)

**Key Methods and Assumptions.** Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuations are presented below:

Valuation Date:	
Assets:	June 30, 2020
Liabilities:	June 30, 2019 - Member census data as of June 30, 2019 was used in the valuation and adjusted where appropriate to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to June 30, 2019 measurement date.
Actuarial Cost Method:	Entry Age Normal (Level percent of payroll)
Actuarial Assumptions:	
Experience Study Date:	Period of 5 years ended June 30, 2019
Investment Rate of Return:	6.75%, net of investment expense, including inflation
Cost of Living Increases:	2020-2021 - 13th check Beginning January 1, 2022 - 0.40% Beginning January 1, 2034 - 0.50% Beginning January 1, 2039 - 0.60%
Salary increases, including inflation:	2.50% - 4.25% based on age
Inflation:	2.25%
Mortality:	
Healthy:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational project of mortality improvements using SOA Scale MP-2019.
Disability:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *A. EMPLOYEES' RETIREMENT SYSTEM (cont.)*

##### *Public Employees' Retirement Fund (cont.)*

**Change in Assumptions.** For the June 30, 2020 measurement date, the future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience. The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

**Plan Amendments.** There were no changes in the plan provisions during the fiscal year, based on the June 30, 2020 measurement date. .

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Public Employees' Retirement Fund* (cont.)

**Long Term Return Expectation.** For the June 30, 2020 measurement date, the long-term return expectation has been determined by using a building-block approach and assumes a time horizon, as defined by INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established and the long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

	Target Asset Allocation %	Long-Term Expected Real Rate of Return % (Geometric Basis)
Public Equity	22.0%	4.4%
Private Equity	14.0	7.6
Fixed Income - Ex Inflation-Linked	20.0	1.9
Fixed Income - Inflation-Linked	7.0	0.5
Commodities	8.0	1.6
Real Estate	7.0	5.8
Absolute Return	10.0	2.9
Risk Parity	12.0	5.5

**Discount rate.** The discount rate used to measure the total pension liability was 6.75% as of the measurement date of June 30, 2020, and is equal to the long-term expected return on plan investments.

**Sensitivity of the school corporation's proportionate share of the net pension liability to changes in the discount rate.** For the June 30, 2020 measurement date, the following presents the school corporation's proportionate share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the school corporation's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
School Corporation's proportionate share of the net pension liability	\$3,971,716	\$2,436,250	\$1,150,005

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

##### **Public Employees' Retirement Fund (cont.)**

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued INPRS Comprehensive Annual Financial Report and Actuarial Valuations. These reports can be found at:

[https://www.in.gov/inprs/files/2020ActuarialReport\\_PERF.pdf](https://www.in.gov/inprs/files/2020ActuarialReport_PERF.pdf)

[https://www.in.gov/inprs/files/INPRSConsolidatedAR\\_FY20.pdf](https://www.in.gov/inprs/files/INPRSConsolidatedAR_FY20.pdf)

##### **Teacher's Retirement Plan**

**Plan Description.** Teacher's Retirement Plan (TRF) is a cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits. Membership in TRF is required for all legally qualified and regularly employed licensed teachers who serve in the public schools of Indiana, teachers employed by the state at state institutions, and certain INPRS personnel. Faculty members and professional employees at Ball State University and Vincennes University have the option of selecting membership in the Fund or an alternate University plan not administered by INPRS. Membership in TRF '96 DB is optional for teachers employed by charter schools, employees and officials of the Indiana State Board of Education who were Indiana licensed teachers before their employment with the Board, and teachers employed by special management teams as defined under IC 20-31. Administration of the fund is generally in accordance with IC 5-10.2, IC 5-10.4, 35 IAC 14, and other Indiana pension law. TRF '96 DB is a component of the Teachers' Hybrid Plan.

**Retirement Benefits - Defined-Benefit Pension.** The TRF Plan retirement benefit consists of the sum of the defined pension benefit provided by the employer contributions plus the amount credited to the member's annuity savings account.

Pension benefits vest after 10 years of creditable service. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested TRF members leaving a covered position, who wait 30 days after termination, may withdraw their annuity savings account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A nonvested member who terminates employment prior to retirement may withdraw his/her annuity savings account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years or creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) difference groups. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

##### ***Teacher's Retirement Plan (cont.)***

A member who has reached age 60 and has at least 15 years of creditable service is eligible for early retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable services is at least 85 is entitled to 100 percent of the benefits described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.

**Retirement Benefits - Disability and Survivor Benefits.** The TRF Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. TRF classroom disability may be available for those who do not qualify for social security disability guidelines. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

**Contributions.** Members are required to contribute 3% of their annual covered salary. The School Corporation is required to contribute at an actuarially determined rate; the rate for fiscal year 2020, which is being utilized as the measurement date, was 7.50 percent of annual covered payroll. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Teacher's Retirement Plan* (cont.)

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. Contributions to the TRF plan from the School Corporation were \$860,225 for the year ended June 30, 2020, which is the measurement date.

***Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.*** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana Public Retirement System (INPRS) and additions to/deductions from INPRS's fiduciary net position have been determined on the same basis as they are reported by INPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. At June 30, 2021, the School reported a liability of \$360,040 for its proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's reported wages as a proportion of total collective reported wages for all employers. At the measurement date of June 30, 2020, the School's proportion was 0.46194 percent an increase of 0.02481 percent from the 0.43713 percent as of the 2019 measurement date. The net pension (asset) liability as of June 30, 2021 is calculated as set forth in the following table:

	TRF Plan Totals
Net pension asset - beginning	\$ (627,977)
Differences between projected and actual experience	(103,195)
Net difference between projected and actual investment	917,076
Change of assumptions	26,608
Changes in proportion and differences between employer contributions and proportionate share of contributions	183,476
Pension Expense	824,277
Contributions	(860,225)
Net pension liability - ending	\$ 360,040

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Teacher's Retirement Plan* (cont.)

**Pension Expense.** For the measurement date, year ended June 30, 2020, the School recognized pension expense of \$824,277 for the TRF Fund. A breakdown of the pension expense is shown below:

Pension Expense	
Proportionate share of plan pension expense	\$ 970,463
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(146,186)</u>
Total	<u>\$ 824,277</u>

**Deferred Outflows and Resources and Deferred Inflows of Resources.** At June 30, 2021, the School reported deferred inflows of resources and deferred outflows of resources related to pensions, based on the June 30, 2020 measurement date, from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 243,093	\$ 806,385
Changes in assumptions	573,345	-
Net differences between projected and actual earnings on pension plan investments	696,846	1,355,292
Changes in proportion and differences between employer contributions and proportionate share of contributions	47,792	1,329,572
Employer contributions subsequent to the measurement date	<u>771,483</u>	<u>-</u>
Totals	<u>\$ 2,332,559</u>	<u>\$ 3,491,249</u>

**MUNCIE COMMUNITY SCHOOLS**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Teacher's Retirement Plan (cont.)**

\$771,483 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Measurement Date Year Ended	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2021	\$ (240,056)
2022	(189,968)
2023	(74,812)
2024	(43,106)
Thereafter	(1,382,231)

**Actuarial Assumptions.**

Inflation:	2.25%
Salary increases, including inflation:	2.50%-12.00% based on years of service
Cost of Living Increases:	2020-2021 - 13th check
	Beginning January 1, 2022 - 0.40%
	Beginning January 1, 2034 - 0.50%
	Beginning January 1, 2039 - 0.60%
Mortality:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational project of mortality improvements using SOA Scale MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation of the Teachers' 1996 Defined Benefit Account were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019 and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Teacher's Retirement Plan* (cont.)

##### **Changes in Assumption.**

For the measurement date of June 30, 2020, The future salary increase assumption changed from a table ranging from 2.50 percent to 12.50 percent to a table ranging from 2.75 percent to 12.00 percent.

The mortality assumption changed from the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The termination assumption was updated based on recent experience. The age-based table and service-based tables which were used previously were replaced by one service-based table.

The disability assumption was updated based on recent experience.

The retirement assumption was updated based on recent experience and was updated from an age-based table split by regular retirement, rule of 85 retirement, and early retirement to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously, all active retirements were assumed to commence benefits immediately.

The marital assumption was updated based on recent experience. 80 percent of male members and 75 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 100 percent of members were assumed to be married or to have a dependent beneficiary. Additionally, for female members, the assumption for their spouse's age changed from 2 years older to 3 years older. The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

**Long Term Return Expectation.** For the measurement date of June 30, 2020, the long-term return expectation has been determined by using a building-block approach and assumes a time horizon, as defined by INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established and the long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes.

	Target Asset Allocation %	Long-Term Expected Real Rate of Return % (Geometric Basis)
Public Equity	22%	4.4%
Private Equity	14	7.6

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### Teacher's Retirement Plan (cont.)

Fixed Income - Ex Inflation-Linked	20	1.9
Fixed Income - Inflation-Linked	7	.5
Commodities	8	1.6
Real Estate	7	5.8
Absolute Return	10	2.9
Risk Parity	12	5.5

**Discount rate.** The discount rate used to measure the total pension liability was 6.75% as of the measurement date of June 30, 2020 and is equal to the long-term expected return on plan investments.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** For the June 30, 2020 measurement date, the following presents the School's proportional share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
School Corporation's proportionate share of the net pension (asset) liability	\$5,504,323	\$360,040	\$(3,800,005)

INPRS issues publicly available financial information that includes financial statements and required supplementary information for the PERF and TRF plans that can be found at:

[http://www.in.gov/inprs/files/2019\\_INPRSCAFRBook.pdf](http://www.in.gov/inprs/files/2019_INPRSCAFRBook.pdf)

#### Teachers' Pre-96 Retirement Fund

**Plan Description.** The School Corporation participates in the Teachers' Pre-1996 Defined Benefit Account, a pay-as-you-go, cost-sharing, multiple-employer defined benefit fund providing retirement, disability, and survivor benefits for teachers, administrators and certain INPRS employees. Administration of the account is generally in accordance with IC 5-10.2, IC 5-10.4, and 35 IAC 14. TRF Pre-'96 DB is the employer-funded defined benefit component of the Teachers' Hybrid Plan, and the Teachers' Hybrid Members Defined Contribution Account (see Defined Contribution Funds section) is with the other

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### **Teachers' Pre-96 Retirement Fund** (cont.) component.

The state of Indiana assumes 100% of the net pension liability for the plan. The net pension liability associated with Muncie Community School Corporation is \$96,676,590, as of the June 30, 2020 measurement date.

**Retirement Benefits – Defined Benefit Pension.** Pension benefits vest after 10 years of creditable service. Members are immediately vested in their annuity savings account. At retirement, a member may choose to receive a lump sum payment of the amount credited to the member's annuity savings account, receive the amount as an annuity, or leave the contributions invested with INPRS. Vested Pre-96 TRF members leaving a covered position, who wait 30 days after termination, may withdraw their annuity savings account and will not forfeit creditable service or a full retirement benefit. However, if a member is eligible for a full retirement at the time of the withdrawal request, he/she will have to begin drawing his/her pension benefit in order to withdraw the annuity savings account. A nonvested member who terminates employment prior to retirement may withdraw his/her annuity savings account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension benefit is equal to 1.1 percent times the average annual compensation times the number of years or creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) difference groups. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

A member who has reached age 60 and has at least 15 years of creditable service is eligible for early retirement and, as such, is entitled to 100 percent of the pension benefit. A member who is at least 55 years old and whose age plus number of years of creditable services is at least 85 is entitled to 100 percent of the benefits described above.

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

The monthly pension benefits for members in pay status may be increased periodically as cost of living adjustments (COLA). Such increases are not guaranteed by statute and have historically been provided on an "ad hoc" basis and can only be granted by the Indiana General Assembly.'

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### **Teachers' Pre-96 Retirement Fund (cont.)**

**Retirement Benefits - Disability and Survivor Benefits.** The Pre-96 TRF Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. Pre-96 TRF classroom disability may be available for those who do not qualify for social security disability guidelines. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

Upon the death in service of a member with 15 or more years of creditable service as of January 1, 2007, a survivor benefit may be paid to the surviving spouse to whom the member had been married for two (2) or more years, or surviving dependent children under the age of 18. This payment is equal to the benefit which would have been payable to a beneficiary if the member had retired at age 50 or at death, whichever is later, under an effective election of the joint and survivor option available for retirement benefits. A surviving spouse or surviving dependent children are also entitled to a survivor benefit upon the death in service after January 1, 2007, of a member who was at least 65 years of age and had at least 10 but not more than 14 years of creditable service.

**Contributions** The Pre-96 TRF Plan is funded 100% from the State of Indiana through reimbursement of grants.

**Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana Public Retirement System (INPRS) and additions to/deductions from INPRS's fiduciary net position have been determined on the same basis as they are reported by INPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. At June 30, 2021, the net pension liability is assumed by the State of Indiana and the School does not report any liability for the pension liability.

For the measurement date, year ended June 30, 2020, the School recognized pension expense of \$5,054,871 for the Pe-96 TRF Fund. No amounts were recognized for deferred outflows of resources and deferred inflows of resources.

For the year ended June 30, 2021, the School recognized \$9,108,441 of Non-employer Contributing Entity Contributions, as revenue on the financial statements.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

##### *Teachers' Pre-96 Retirement Fund* (cont.)

**Actuarial Assumptions.** The total pension liability in the June 30, 2020 actuarial valuation, which was used as the measurement date, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.25%
Salary increases, including inflation:	2.50%-12.00% based on years of service
Cost of Living Increases:	2020-2021 - 13th check Beginning January 1, 2022 - 0.40% Beginning January 1, 2034 - 0.50% Beginning January 1, 2039 - 0.60%
Mortality:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational project of mortality improvements using SOA Scale MP-2019.

The actuarial assumptions used in the June 30, 2020 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in June 2020. The majority of the actuarial and methods are based on plan experience from July 1, 2014 through June 30, 2019 and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

The June 30, 2019 valuations, the COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0 percent COLA beginning on January 1, 2020, INPRS assumes that the COLA will be replaced by a 13<sup>th</sup> check for 2020 and 2021. The COLA assumption thereafter, would be 0.4 percent beginning on January 1, 2022, change to 0.5 percent beginning on January 1, 2034, and ultimately 0.6 percent beginning on January 1, 2039.

#### Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent, based on the June 30, 2020 measurement date. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from units will be made at contractually required rates, actuarially determined.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

#### B. RISK MANAGEMENT

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

### **NOTE IV - OTHER INFORMATION (cont.)**

#### ***B. RISK MANAGEMENT (cont.)***

The primary government is exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors or 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; 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 was no significant reduction in insurance by major category of risk.

#### ***Self Insurance***

The primary government has chosen to establish a risk financing fund for risks associated with risk of loss related to employee health claims for School employees. The risk financing fund is accounted for in the Internal Service Fund where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$500,000 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 employee payroll. The total charge allocated to each of the funds is based primarily upon the percentage of each fund's current year payroll as it relates to total payroll and are reported as interfund services provided and used. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities for the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of payouts and other economic and social factors.

#### ***Claims Liability***

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 418,782	\$ 197,333
Current year claims and changes in estimates	4,523,513	4,744,022
Claim payments	(4,744,962)	(4,901,912)
 Unpaid Claims - End of Year	 \$ 197,333	 \$ 39,443

#### ***C. COMMITMENTS AND CONTINGENCIES***

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **C. COMMITMENTS AND CONTINGENCIES (cont.)**

From time to time, the school corporation is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the school corporation attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the school corporation's financial position or results of operations.

The school corporation has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

#### **D. JOINT VENTURES**

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 School Corporation's portion of shared costs to fund the cooperative were \$3,640,131 for the year ended June 30, 2021. The cooperative's continued existence depends on continued funding by the School Corporation. The School Corporation is obligated for its share of 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.

#### **E. OTHER POSTEMPLOYMENT BENEFITS**

##### **General Information about the OPEB Plan**

**Plan description.** The school corporation's single employer defined benefit OPEB plan provides OPEB for a closed group of retirees retiring prior to July 1, 2018. Three of these participants are eligible for lifetime health benefits and the rest of the participants are eligible for benefits until Medicare eligibility. Surviving spouses of retirees may remain on the School's health plan for life or until Medicare eligibility. The plan provides the same medical, dental, and vision benefits available to retirees as active employees. The school's health plan is self insured. Retirees eligible for lifetime health benefits are required to contribute the full premium rate to qualify for coverage and therefore have no associated GASB liability. For retirees eligible for health benefits until Medicare eligibility, Muncie Community Schools pays 75% of the single annual premium. All retirees are required to pay 100% of the premium rates for dental and vision coverage. There are not any assets accumulated in a trust for the OPEB benefits.

**Employees covered by benefit terms.** At June 30, 2021, the following employees were covered by the benefit terms:

Retiree Participants	_____ 10
Total Participants	===== 10

##### **Total OPEB Liability**

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### ***E. OTHER POSTEMPLOYMENT BENEFITS*** (cont.)

The school corporation's total OPEB liability of \$45,739 was measured as of June 30, 2021, and was determined by an actuarial valuation as of that date.

***Actuarial assumptions and other inputs.*** The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2021
Actuarial Valuation Date	July 1, 2020
Discount Rate	2.66 as of July 1, 2020 and 2.19% as of June 30, 2021
Inflation	2.25% per year
Salary increases	None
Healthcare cost trend rates	7.5% in FYE 22 trending down to 4.5% in FYE 28
Retirees' share of benefit-related costs	Lifetime participants - 100%; Members until eligible for Medicare - 25%

The discount rate of 2.19% was based on 20 year municipal bond indices of tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

#### **Mortality Assumptions:**

General (administrative and support staff) retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019

Teacher retirees: SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2019

Surviving Spouses: SOA Pub-2010 Headcount Weighted Mortality Table fully generational using Scale MP-2019

No experience study was conducted for the actuarial valuation.

**MUNCIE COMMUNITY SCHOOLS**

NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

**NOTE IV - OTHER INFORMATION (cont.)**

***E. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

***Changes in the Total OPEB Liability***

	Total OPEB Liability
Balances at June 30, 2020	\$ <u>108,740</u>
Changes for the year:	
Interest	2,136
Differences between expected and actual experience	(8,040)
Changes in assumptions or other inputs	159
Benefit payments	<u>(57,256)</u>
Net changes	<u>(63,001)</u>
Balances at June 30, 2021	<u>\$ 45,739</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.66% at the beginning of the year and 2.19% at the end of the year.

***Sensitivity of the total OPEB liability to changes in the discount rate.*** The following presents the total OPEB liability of the school corporation, as well as what the school corporation's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19 percent) or 1-percentage-point higher (3.19 percent) than the current discount rate:

	1% Decrease (1.19%)	Discount Rate (2.19%)	1% Increase (3.19%)
Total OPEB liability	\$ 46,084	\$ 45,739	\$ 45,401

***Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.*** The following presents the total OPEB liability of the school corporation, as well as what the school corporation's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	Health Care Trend Rates		
	1% Decrease (6.5% Decreasing to 3.5%)	(7.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
Total OPEB liability	\$ 45,140	\$ 45,739	\$ 46,340

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### ***E. OTHER POSTEMPLOYMENT BENEFITS (cont.)***

##### ***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2021, the school corporation recognized a reduction of OPEB expense of \$5,745. At June 30, 2021, the school corporation did not report any deferred outflows or inflows of resources related to OPEB.

#### ***F. TAX ABATEMENT***

Under the state statute, IC 6-1.1-12.1 units may provide tax abatements for rehabilitation or redevelopment of real property in economic revitalization areas. Economic revitalization area (ERA) means an area which is within the corporate limits of a city, town or county which has become undesirable for, or impossible of, normal development and occupancy because of lack of development, cessation of growth, deterioration of improvements or character of occupancy, age, obsolescence, substandard buildings, or other factors which have impaired values or prevent a normal development of property or use of property. The tax abatements under this statute are for real property tax and personal property tax.

##### ***Real Property Tax Abatements (I.C. 6-1.1-12.1)***

The abatements are obtained through application by the property owner, approval by the legislative body, and a signed agreement between the parties. The agreement is usually for a ten-year period in which the unit is willing to forgo tax revenues (real property tax) and the property owner promises to take specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The unit must also agree that the commitments have been met. The unit then allows the percentage of reduction to be applied to the eligible assessed value.

##### ***Tax Abatements – Personal Property Tax (I.C. 6-1.1-12.1)***

The legislative body approves the tax abatements for personal property tax. Once approval is granted the taxpayer must file forms with the County Assessor each year of the abatement. The forms used, depending on the type of property, are 103-ERA, State form 52503; CF-1/PP, State form 51765; SB-1/PP, State form 51764; and form 103-EL, State form 52515 that accompanies the ERA. After the forms are filed, the County Assessor calculated the minimum value ratio (MVR) which is the Total True Tax Value, from Schedule A divided by 30% of Adjusted Cost, from Schedule A. The adjusted cost is multiplied by the True Tax Value percentage for the property pool by year of purchase of the asset, then times the MVR. Each year of the agreement's time frame the property owner must verify that they have met the commitments set forth in the agreement. The unit must also agree that the commitments have been met. The unit then allows the reduction in personal property tax to be applied.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *F. TAX ABATEMENT (cont.)*

##### ***Vacant Building Abatement (I.C. 6-1.1-12.1-4.8)***

Up to a two-year real property tax abatement is available to a company, according to local qualifications, based on occupying a building that has been vacant for more than a year. The building must be used for commercial or industrial purposes and be located in a designated Economic Revitalization Area. Prior approval of the legislative body must occur before occupying the facility and the legislative body determines the time period for the abatement. All of these programs are designed to spur job creation and retention, grow the income and property tax base, support the redevelopment of areas experiencing a cessation of growth, attract and retain businesses in targeted industries, and assist distressed businesses, among other objectives. Minimum eligibility criteria for such abatements vary by program, as noted above, but generally require that an investment in real or personal property be projected to increase assessed value, create or retain jobs and/or promote economic revitalization. In return for such abatements, the unit generally commits to permit, zoning and job training assistance. Included in each abatement agreement are provisions specifying certain damages, among which may include a clawback of some or all of the taxes previously abated. If a company ceases operations or announces the cessation of operations at the facility for which the abatement was granted, termination of the abatement agreement is warranted and 100% clawback is required. Other clawbacks are calculated based on the highest level of non-compliance among the measured categories for that project.

##### ***Impact of Abatements on Revenues***

Indiana property tax laws complicate the calculation of the exact impact of property tax abatements on the tax revenues of a given unit of local government. Constraints on the growth of the annual tax levy and constitutional limitations on taxes (also known as property tax caps) are the chief complicating factors. The increase in the annual tax levy is limited to the growth in the 6-year moving average of nonfarm personal income growth, which is known as the Assessed Value Growth Quotient (AVGQ). Statutory property tax caps for homesteads, agricultural and other residential and commercial are equal to 1 percent, 2 percent and 3 percent, respectively, of associated assessed valuations.

The tax rate, which is established for each taxing unit by the Department of Local Government Finance, is based on the tax levy requested by the taxing unit (as limited by the AVGQ) divided by the net assessed value of the property in a physical taxing district. The theory behind the AVGQ is that the costs of government should not be increasing at a greater rate than taxpayer incomes.

Tax abatements are granted on the assessed value of the property abated. The taxpayer's taxes are then calculated based on this reduced assessment, thus resulting in a lower tax liability. But because a given district's tax rate is calculated based on the total net assessed value in the district (net of abatements and other adjustments), the certified levy of each unit in the district is the same as if the abatements had not been granted.

Additionally, to the extent that parcels have reached the constitutional limit of tax liability as a percentage of gross assessed value, the property tax rate caps (circuit breaker credits) reduce the property tax collections of the affected taxing units. The degree to which property tax abatements exacerbate circuit breaker losses differs by parcel and is dependent on the proportion of abated assessed value to total gross assessed value, as well as prevailing property tax rates.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

---

#### **F. TAX ABATEMENT** (cont.)

##### ***Impact of Abatements on Revenues*** (cont.)

The estimated gross amount, on a cash basis by which the Muncie School Corporation's property tax revenues (payable 2020 taxes) were reduced as a result of the aforementioned County abatement programs, totaled \$199,195. The abatements for the Muncie School Corporation included abatements for the following programs:

Property Tax Abatement	\$	152,024
Personal Property Abatements		<u>47,171</u>
Totals	\$	<u><u>199,195</u></u>

#### **G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

When they become effective, application of these standards may restate portions of these financial statements.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO FINANCIAL STATEMENTS June 30, 2021

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### NOTE IV - OTHER INFORMATION (cont.)

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#### ***H. EMERGENCY MANAGEMENT***

Indiana Code 6-1.1-20.3-1 states: "As used in this chapter, 'board' refers to the distressed unit appeal board established by section 4 of this chapter." Indiana Code 6-1.1-20.3-7.1 states:

- (a) This section applies only to the Muncie Community Schools.
- (b) The general assembly finds that the provisions of this section:
  - (1) are necessary to address the unique issues faced by the Muncie Community Schools;
  - (2) are not precedent for and may not be appropriate for addressing issues faced by other school corporations; and
  - (3) are consistent with the board designating the Muncie Community school corporation as a distressed political subdivision effective January 1, 2018.
- (c) Notwithstanding section 7.5(d) of this chapter, the board shall determine the compensation of the emergency manager, pay the emergency manager's compensation, and reimburse the emergency manager for actual and necessary expenses from funds appropriated to the board.
- (d) In addition to any other actions that the board may take under this chapter concerning a distressed political subdivision, the board may recommend, before July 1, 2020, to the state board of finance that the state board of finance make an interest free loan to the school corporation from the common school fund. The distressed unit appeal board shall determine the payment schedule and the commencement date for the loan. If the board makes a recommendation that such a loan be made, the state board of finance may, notwithstanding IC 20-49, make the loan for a term of not more than ten (10) years."

The School Corporation was under the management of an emergency manager appointed by the distressed units appeals board in accordance with Indiana Code 6-1.1-20.3-7.5 until December 31, 2018. On November 20, 2018 an agreement was signed between the school and the State Board of Finance to loan Muncie Community Schools twelve million dollars to be repaid in not more than 10 years. The school continues to use the emergency manager as a consultant on an as needed basis.

**REQUIRED SUPPLEMENTARY INFORMATION**

**MUNCIE COMMUNITY SCHOOLS**

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BASIS)  
OPERATIONS FUND  
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes				
Property	\$ 1,816,606	\$ 1,816,606	\$ 1,682,965	\$ (133,641)
Intergovernmental	624,000	691,512	789,152	97,640
Interest	-	-	79,078	79,078
Miscellaneous	46,000	46,000	280,250	234,250
Total Revenues	<u>2,486,606</u>	<u>2,554,118</u>	<u>2,831,445</u>	<u>277,327</u>
Expenditures:				
General government:				
Personal services	493,600	493,600	536,928	(43,328)
Supplies	28,317	28,317	11,847	16,470
Other services and charges	101,000	101,000	196,012	(95,012)
Capital outlays	-	-	-	-
Personal services	940,000	940,000	891,973	48,027
Supplies	52,321	52,321	36,704	15,617
Other services and charges	554,000	554,000	645,881	(91,881)
Maintenance of building				
Personal services	32,000	32,000	37,236	(5,236)
Supplies	120,000	120,000	10,493	109,507
Other services and charges	6,865,800	6,865,800	7,103,460	(237,660)
Maintenance of equipment				
Supplies	35,000	35,000	32,283	2,717
Other services and charges	333,239	333,239	387,763	(54,524)
Security services				
Personal services	525,500	525,500	561,793	(36,293)
Supplies	500	500	16,715	(16,215)
Student transportation				
Personal services	85,000	85,000	76,411	8,589
Supplies	100,000	100,000	61,558	38,442
Other services and charges	2,958,000	2,958,000	2,484,367	473,633
Building acquisition, construction and improvement				
Capital outlays	533,434	533,434	500,879	32,555
Purchase of mobile or fixed equipment				
Capital outlays	176,600	176,600	6,322	170,278
Other facilities acquisition and construction				
Capital outlays	25,000	25,000	1	24,999
Total Expenditures	<u>13,959,311</u>	<u>13,959,311</u>	<u>13,598,626</u>	<u>360,685</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,472,705)</u>	<u>(11,405,193)</u>	<u>(10,767,181)</u>	<u>638,012</u>
Other financing sources (uses):				
Transfers in	6,092,000	8,719,000	10,649,706	1,930,706
Total Other Financing Sources (Uses)	<u>6,092,000</u>	<u>8,719,000</u>	<u>10,649,706</u>	<u>1,930,706</u>
Net Changes in Fund Balances	(5,380,705)	(2,686,193)	(117,475)	2,568,718
Fund Balance - Beginning	1,713,918	1,713,918	1,713,918	-
Fund Balance - Ending	<u>\$ (3,666,787)</u>	<u>\$ (972,275)</u>	<u>\$ 1,596,443</u>	<u>\$ 2,568,718</u>

See notes to required supplementary information

## MUNCIE COMMUNITY SCHOOLS

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE (NON GAAP BASIS)  
EDUCATION FUND  
For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 38,561,113	\$ 38,561,113	\$ 41,034,615	\$ 2,473,502
Interest	55,770	55,770	-	(55,770)
Miscellaneous	1,997,117	1,997,117	831,038	(1,166,079)
Total Revenues	<u>40,614,000</u>	<u>40,614,000</u>	<u>41,865,653</u>	<u>1,251,653</u>
<b>Expenditures:</b>				
General government:				
Regular programs				
Personal services	21,078,200	21,078,200	17,806,660	3,271,540
Supplies	447,419	447,419	374,050	73,369
Other services and charges	60,000	60,000	10,914	49,086
Capital outlays	500	500	-	500
Special programs				
Personal services	3,909,500	3,909,500	3,534,404	375,096
Supplies	29,384	29,384	6,097	23,287
Other services and charges	556,000	556,000	523,029	32,971
Summer school programs				
Personal services	31,000	31,000	36,302	(5,302)
Remediation programs				
Personal services	127,500	127,500	119,347	8,153
Payments to other governmental units within the state				
Other services and charges	6,000	6,000	1,946	4,054
Support services - students				
Personal services	1,610,600	1,610,600	1,568,023	42,577
Supplies	2,000	2,000	507	1,493
Other services and charges	464,282	464,282	465,518	(1,236)
Support services - instruction				
Personal services	942,200	942,200	1,069,130	(126,930)
Supplies	365,655	365,655	1,375,873	(1,010,218)
Other services and charges	235,000	235,000	12,341	222,659
Capital outlays	693,500	693,500	12,430	681,070
Support services - general administration				
Personal services	2,056,000	2,056,000	2,036,213	19,787
Community service operations				
Personal services	226,000	226,000	359,680	(133,680)
Principal on debt	300,000	300,000	300,703	(703)
Total Expenditures	<u>33,140,740</u>	<u>33,140,740</u>	<u>29,613,167</u>	<u>3,527,573</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,473,260</u>	<u>7,473,260</u>	<u>12,252,486</u>	<u>4,779,226</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	339,083	339,083
Transfers out	(6,092,000)	(6,092,000)	(9,844,145)	3,752,145
Total Other Financing Sources (Uses)	<u>(6,092,000)</u>	<u>(6,092,000)</u>	<u>(9,505,062)</u>	<u>4,091,228</u>
Net Changes in Fund Balances	<u>1,381,260</u>	<u>1,381,260</u>	<u>2,747,424</u>	<u>1,366,164</u>
Fund Balance - Beginning	<u>20,015,619</u>	<u>20,015,619</u>	<u>20,015,619</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 21,396,879</u>	<u>\$ 21,396,879</u>	<u>\$ 22,763,043</u>	<u>\$ 1,366,164</u>

See notes to required supplementary information

## MUNCIE COMMUNITY SCHOOLS

REQUIRED SUPPLEMENTARY INFORMATION  
BUDGET/GAAP RECONCILIATION (NON GAAP BASIS)  
EDUCATION FUND AND OPERATIONS FUND  
For the Year Ended December 31, 2020

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The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as apposed to susceptible to accrual (GAAP)
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP)

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	<u>Education Fund</u>	<u>Operations Fund</u>
Net changes in fund balances (budgetary basis)	\$ 2,747,424	\$ (117,475)
Adjustments		
To adjust for change in Rainy Day fund, which is not part of the Education Fund for budget purposes	3,000,000	-
To adjust revenues for accruals	857,198	16,864
To adjust expenditures for accruals	(140,332)	25,011
To adjust for calendar year to fiscal year differences	<u>665,946</u>	<u>(818,667)</u>
Net change in fund balance (GAAP basis)	<u>\$ 7,130,236</u>	<u>\$ (894,267)</u>

## MUNCIE COMMUNITY SCHOOLS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF SCHOOL CONTRIBUTIONS  
 Public Employees' Retirement Fund  
 Last 10 Fiscal Years\*

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<u>Fiscal Year Ended **</u>	<u>Statutorily Required Contribution Percentage</u>	<u>Actual Employer Contributions</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2020	11.20%	\$ 480,848	\$ 4,354,510	11.04%
June 30, 2019	11.20%	431,012	4,102,655	10.51%
June 30, 2018	11.20%	449,048	4,118,621	10.90%
June 30, 2017	11.20%	478,341	4,561,840	10.49%
June 30, 2016	11.20%	729,099	6,711,817	10.86%
June 30, 2015	11.20%	835,502	7,189,653	11.62%

Notes:

\* Information presented for the years information is available

\*\* The data provided in the schedule is based as of the measurement date of INPRS (PERF) net pension liability

## MUNCIE COMMUNITY SCHOOLS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF SCHOOL CONTRIBUTIONS  
 Public Employees' Retirement Fund  
 Last 10 Fiscal Years\*

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<u>Fiscal Year Ended **</u>	<u>Statutorily Required Contribution Percentage</u>	<u>Actual Employer Contributions</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2020	11.20%	\$ 480,848	\$ 4,354,510	11.04%
June 30, 2019	11.20%	431,012	4,118,621	10.46%
June 30, 2018	11.20%	449,048	4,118,621	10.90%
June 30, 2017	11.20%	478,341	4,561,840	10.49%
June 30, 2016	11.20%	729,099	6,711,817	10.86%
June 30, 2015	11.20%	835,502	7,189,653	11.62%

Notes:

\* Information presented for the years information is available

\*\* The data provided in the schedule is based as of the measurement date of INPRS (PERF) net pension liability

## MUNCIE COMMUNITY SCHOOLS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Teachers' Retirement Fund  
 Last 10 Fiscal Years\*

<u>Fiscal Year Ended **</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>
June 30, 2020	0.46194%	\$ 360,040	\$ 15,934,829	2.3%
June 30, 2019	0.43713%	(627,977)	14,251,216	-4.4%
June 30, 2018	0.51640%	572,750	16,228,018	3.5%
June 30, 2017	0.59000%	3,906,961	17,814,654	21.9%
June 30, 2016	0.63611%	4,964,968	18,322,458	27.1%
June 30, 2015	0.68894%	3,627,806	18,882,517	19.2%
June 30, 2014	0.72974%	346,997	18,885,188	1.8%

Notes:

\* Information presented for the years information is available.

\*\* The data provided in the schedule is based as of the measurement date of INPRS (PERF) net pension liability

## MUNCIE COMMUNITY SCHOOLS

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF SCHOOL CONTRIBUTIONS Teachers' Retirement Fund Last 10 Fiscal Years\*

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<u>Fiscal Year Ended **</u>	<u>Statutorily Required Contribution Percentage</u>	<u>Actual Employer Contributions</u>	<u>Actual Covered Member Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2020	5.50%	\$ 860,225	\$ 15,934,829	5.40%
June 30, 2019	7.50%	1,068,799	14,251,216	7.50%
June 30, 2018	7.50%	1,158,289	16,228,018	7.14%
June 30, 2017	7.50%	1,332,779	17,814,654	7.48%
June 30, 2016	7.50%	1,375,968	18,322,458	7.51%
June 30, 2015	7.50%	1,417,271	18,882,517	7.51%

Notes:

\* Information presented for the years information is available

\*\* The data provided in the schedule is based as of the measurement date of INPRS (PERF) net pension liability

## MUNCIE COMMUNITY SCHOOLS

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN TOTAL LIABILITY Last 10 Years\*

<b>NET OPEB LIABILITY</b>	<u>Fiscal Year Ended June 30, 2021</u>	<u>Fiscal Year Ended June 30, 2020</u>
TOTAL OPEB LIABILITY		
Interest	\$ 2,136	\$ 4,561
Changes in assumptions	159	985
Differences between expected and actual experience	(8,040)	-
Benefit payments	<u>(57,256)</u>	<u>(53,015)</u>
Net change in total OPEB liability	(63,001)	(47,469)
Total OPEB liability - beginning of year	<u>108,740</u>	<u>156,209</u>
Total OPEB liability - end of year (1)	<u>\$ 45,739</u>	<u>\$ 108,740</u>
PLAN FIDUCIARY NET POSITION		
Contributions	\$ 57,256	\$ 53,015
Benefit payments	<u>(57,256)</u>	<u>(53,015)</u>
Net change in Plan Fiduciary Net Position	-	-
Plan fiduciary net position - beginning of year	<u>-</u>	<u>-</u>
Plan fiduciary net position - end of year (2)	<u>\$ -</u>	<u>\$ -</u>
Total OPEB Liability	<u>\$ 45,739</u>	<u>\$ 108,740</u>

Notes to Schedule:

\*Information presented for the years information is available

## MUNCIE COMMUNITY SCHOOLS

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF TOTAL OPEB LIABILITY Last 10 Years\*

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	<u>June 30, 2021</u>	<u>June 30, 2020</u>
1. Total OPEB Liability	\$ 45,739	\$ 108,740
2. Plan Fiduciary Net Position	<u>-</u>	<u>-</u>
3. Net OPEB Liability	<u>\$ 45,739</u>	<u>\$ 108,740</u>
4. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability = (2) / (1)	0%	0%
5. Covered Payroll	N/A	N/A
6. Total OPEB Liability as a Percentage of Covered Payroll = (3) / (5)	N/A	N/A

*See notes to the required supplementary information*

## MUNCIE COMMUNITY SCHOOLS

### REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB Last 10 Years\*

<b>OPEB Contributions</b>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Actuarially determined contribution**	\$ -	\$ -
Actual employer contributions	<u>57,256</u>	<u>53,015</u>
Contribution excess	<u>\$ (57,256)</u>	<u>\$ (53,015)</u>
Covered payroll	N/A	N/A
Contributions as a percentage of covered - employee payroll	N/A	N/A

Notes to schedule:

\* Information presented for the years information is available

\*\* - No actuarially determined contributions were reported

# MUNCIE COMMUNITY SCHOOLS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER'S SHARE OF NONEMPLOYER CONTRIBUTING ENTITY CONTRIBUTIONS  
Pre-96 Teacher Retirement Fund  
Last 10 Fiscal Years\*

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<u>Year Ended **</u>	Employer Share of Nonemployer Contributing Entity Contributions
June 30, 2020	\$ 9,108,441
June 30, 2019	8,926,179
June 30, 2018	9,078,765

Notes:

\* Information presented for the years information is available.

\*\* The data provided in the schedule is based as of the measurement date of INPRS (PERF) net pension liability

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2021

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### I. Budgets and Budgetary Accounting

The School follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The Chief Financial Officer submits to the School Board a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The School advertises the budget prior to adoption and the School Board holds public hearings to obtain taxpayer comments.
3. The budget is approved in September of each year by the School Board through passage of an ordinance.
4. Copies of the budget ordinance and advertisements are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the Chief Financial Officer receives approval from the Indiana Department of Local Government Finance. The budget ordinance as approved by the Indiana Department of Local Government Finance becomes the School's expenditures budget. The School's maximum tax levy is restricted by Indiana Law, with certain adjustments and exceptions. If the advertised budget exceeds the spending and tax limits of the state control laws, an excess levy can be granted by the Indiana Department of Local Government Finance, upon appeal by the School.
5. The legal level of budgetary control (the level at which expenditures may not exceed appropriations without the governing body's approval) is by object classification for all funds except for the Education and Operations Funds, which is by object classification within each department. The School's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the School Board. Any revisions that alter the total appropriations for any fund or any department of the General fund must be approved by the School Board and in some instances, by the Indiana Department of Local Government Finance.
6. Formal budgetary integration is required by the State Statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

Major fund:

Education  
Operations  
Debt Service

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2021

### II. Pension Plans

#### PERF Plan:

Actuarial cost method	Entry age normal (level percent of payroll)
Experience study date	Period of 5 years ended June 30, 2019
Investment rate of return	6.75%, net of investment expense, including inflation
Asset valuation method	Five-year smoothing of gains and losses on the Fair Value of Assets.
Inflation	2.25%
Salary increases	2.50% to 8.75% based on age
Mortality	Pub 2010 Public Retirement Plans Mortality Table with fully generational improvements using SOA scale MP-2019

Change in Assumptions. The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience study.

The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

Plan Amendments. There were no changes in the plan provisions during the fiscal year.

# MUNCIE COMMUNITY SCHOOLS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION June 30, 2021

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### TRF Plan:

- a) The actuarial assumptions and methods used in the June 30, 2019 valuation of the Teachers' 1996 Defined Benefit Account were adopted by the INPRS Board in May 2019. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2011, through June 30, 2014, and were first used in the June 30, 2015, valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

PRE 96 TRF plan:

- b) The actuarial assumptions and methods used in the June 30, 2019 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in May 2019. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2011, through June 30, 2014, and were first used in the June 30, 2015, valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

### III. OPEB Plan:

Cost method	Entry Age Normal Level % of Salary method
Amortization method	N/A
Attribution method	Closed group of retirees retiring prior to 7/1/18
Assumptions	
Discount rate	2.19% per annum
Discount rate basis	S&P municipal bond 20-year high grade rate index
Inflation rate	2.25% per annum
Investment return	Not applicable since the plan is not currently prefunded
Disability	None assumed

## **SUPPLEMENTARY INFORMATION**

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 7,161,131	\$ 2,122,486	\$ 662,148	\$ 9,945,765
Receivables:				
Accounts	12,527	-	-	12,527
Intergovernmental	1,441,955	-	-	1,441,955
TOTAL ASSETS	\$ 8,615,613	\$ 2,122,486	\$ 662,148	\$ 11,400,247
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 235,381	\$ -	\$ 157,351	\$ 392,732
Accrued wages and payroll withholding	322,767	-	-	322,767
Due to another fund	1,907,305	-	-	1,907,305
TOTAL LIABILITIES	2,465,453	-	157,351	2,622,804
Fund Balances				
Restricted	4,447,246	2,122,486	504,797	7,074,529
Committed	2,650,062	-	-	2,650,062
Unassigned (deficit)	(947,148)	-	-	(947,148)
TOTAL FUND BALANCES	6,150,160	2,122,486	504,797	8,777,443
TOTAL LIABILITIES, AND FUND BALANCES	\$ 8,615,613	\$ 2,122,486	\$ 662,148	\$ 11,400,247

# MUNCIE COMMUNITY SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Local sources	\$ 2,187,393	\$ 27	\$ -	\$ 2,187,420
Intermediate sources	581	-	-	581
State sources	11,902,541	-	-	11,902,541
Federal sources	3,009,293	-	-	3,009,293
Other	<u>177,633</u>	<u>-</u>	<u>-</u>	<u>177,633</u>
<b>TOTAL REVENUES</b>	<u>17,277,441</u>	<u>27</u>	<u>-</u>	<u>17,277,468</u>
<b>EXPENDITURES</b>				
Current				
Instruction	8,645,197	-	-	8,645,197
Support services	4,996,601	-	-	4,996,601
Community services	2,656,717	-	-	2,656,717
Facilities acquisition and construction	115,686	-	171,740	287,426
Nonprogrammed charges	423,792	3,850	-	427,642
Capital outlay	18,750	-	508,243	526,993
Debt service				
Principal paid on debt	-	3,120,000	-	3,120,000
Interest on debt	<u>-</u>	<u>946,133</u>	<u>-</u>	<u>946,133</u>
<b>TOTAL EXPENDITURES</b>	<u>16,856,743</u>	<u>4,069,983</u>	<u>679,983</u>	<u>21,606,709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>420,698</u>	<u>(4,069,956)</u>	<u>(679,983)</u>	<u>(4,329,241)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer in	1,582,228	4,072,000	-	5,654,228
Transfer out	<u>(1,537,861)</u>	<u>-</u>	<u>-</u>	<u>(1,537,861)</u>
<b>Total Other Financing Sources</b>	<u>44,367</u>	<u>4,072,000</u>	<u>-</u>	<u>4,116,367</u>
<b>Net change in fund balance</b>	<u>465,065</u>	<u>2,044</u>	<u>(679,983)</u>	<u>(212,874)</u>
<b>FUND BALANCE</b>				
<b>BEGINNING OF YEAR</b>	<u>5,685,095</u>	<u>2,120,442</u>	<u>1,184,780</u>	<u>8,990,317</u>
<b>FUND BALANCE END OF YEAR</b>	<u>\$ 6,150,160</u>	<u>\$ 2,122,486</u>	<u>\$ 504,797</u>	<u>\$ 8,777,443</u>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Cafeteria Fund	Educational Promotions Fund	PBIS Grant - Star Press	Harry & Janet Kitzelman Fund	ONB Comm Volunteer Pass-Thru
<b>ASSETS</b>					
Cash and investments	\$ 2,461,748	\$ 1,102	\$ 28,871	\$ 3,012	\$ -
Receivables:					
Accounts	2,079	-	-	-	-
Intergovernmental	-	-	-	-	3,000
<b>TOTAL ASSETS</b>	<b><u>\$ 2,463,827</u></b>	<b><u>\$ 1,102</u></b>	<b><u>\$ 28,871</u></b>	<b><u>\$ 3,012</u></b>	<b><u>\$ 3,000</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	-	-	-	-	-
Due to other funds	-	-	-	-	3,000
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,000</u></b>
Fund Balances					
Restricted	-	-	28,871	3,012	-
Committed	2,463,827	1,102	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>2,463,827</u></b>	<b><u>1,102</u></b>	<b><u>28,871</u></b>	<b><u>3,012</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 2,463,827</u></b>	<b><u>\$ 1,102</u></b>	<b><u>\$ 28,871</u></b>	<b><u>\$ 3,012</u></b>	<b><u>\$ 3,000</u></b>

## MUNCIE COMMUNITY SCHOOLS

### COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Alternative Ed. Grant	Lilly Counsel Initiative	BIC Grant - Food Service	Ball Found Afterschool P3 Xtream	BBF-Excellence Teaching Award Donations
<b>ASSETS</b>					
Cash and investments	\$ 94,543	\$ 239,534	\$ -	\$ -	\$ 1,519
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 94,543</u></b>	<b><u>\$ 239,534</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,519</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ 2,000	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>2,000</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances					
Restricted	94,543	237,534	-	-	1,519
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>94,543</u></b>	<b><u>237,534</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,519</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 94,543</u></b>	<b><u>\$ 239,534</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,519</u></b>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

		CFP			
	Mutual Bank Enrichment Grant	Foundation Community Grant	BBF-Improve, Innov Enhance Grant	In & Out Other	Adventure Envir Learn Cntr Fund
<b>ASSETS</b>					
Cash and investments	\$ 22	\$ 478	\$ 113,478	\$ 24,334	\$ 30,697
Receivables:					
Accounts	-	-	-	-	1,450
Intergovernmental	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 22</u></b>	<b><u>\$ 478</u></b>	<b><u>\$ 113,478</u></b>	<b><u>\$ 24,334</u></b>	<b><u>\$ 32,147</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 280	\$ 7,655	\$ 507
Accrued wages and payroll withholding	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>280</u></b>	<b><u>7,655</u></b>	<b><u>507</u></b>
Fund Balances					
Restricted	22	478	113,198	16,679	-
Committed	-	-	-	-	31,640
Unassigned (deficit)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>22</u></b>	<b><u>478</u></b>	<b><u>113,198</u></b>	<b><u>16,679</u></b>	<b><u>31,640</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 22</u></b>	<b><u>\$ 478</u></b>	<b><u>\$ 113,478</u></b>	<b><u>\$ 24,334</u></b>	<b><u>\$ 32,147</u></b>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

		Community Fund - Longfellow Fitness	Central ROTC Services Fund	Christmas Sing Fund	Successful Schools - BSU	2020 Career Ladders Grant
<b>ASSETS</b>						
Cash and investments	\$	974	\$ 30,746	\$ 5,496	\$ -	\$ -
Receivables:						
Accounts		-	5,995	-	-	-
Intergovernmental		-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>974</b>	<b>\$ 36,741</b>	<b>\$ 5,496</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities</b>						
Accounts payable	\$	-	\$ 1,924	\$ -	\$ -	\$ -
Accrued wages and payroll withholding		-	15,461	-	-	-
Due to other funds		-	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>17,385</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Restricted		-	-	-	-	-
Committed		974	19,356	5,496	-	-
Unassigned (deficit)		-	-	-	-	-
<b>TOTAL FUND BALANCES</b>		<b>974</b>	<b>19,356</b>	<b>5,496</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$</b>	<b>974</b>	<b>\$ 36,741</b>	<b>\$ 5,496</b>	<b>\$ -</b>	<b>\$ -</b>

## MUNCIE COMMUNITY SCHOOLS

### COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	2016 PBIS Meridian Intecare Grant	2016/17 RFF Evidence Based Prc	Formative Assessment Grant	Special Education Student Reimbursement
<b>ASSETS</b>				
Cash and investments	\$ 2,922	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	-	-	-	-
Due to other funds	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	2,922	-	-	-
Committed	-	-	-	-
Unassigned (deficit)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>2,922</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,922</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Pre-School Program	I Pad Insurance Fund	Technology Contingency Fund	Career Tech Perf Grant	Connectivity Technology Grant
<b>ASSETS</b>					
Cash and investments	\$ 129,695	\$ -	\$ -	\$ 13,693	\$ 3,789
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 129,695</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 13,693</u></b>	<b><u>\$ 3,789</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 57	\$ -	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	577	-	-	-	-
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>634</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances					
Restricted	129,061	-	-	13,693	-
Committed	-	-	-	-	3,789
Unassigned (deficit)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>129,061</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>13,693</u></b>	<b><u>3,789</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 129,695</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 13,693</u></b>	<b><u>\$ 3,789</u></b>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

			2016/17		
	Come Back Stronger Grant	2018/19 Mp3 - Ball Brother	McKinney-Vento Education	CF-Mental Health Program	Sursa Award Honor Jim Williams
<b>ASSETS</b>					
Cash and investments	\$ 7	\$ -	\$ -	\$ 3,621	\$ 431
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	18,749	11,528	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 7</u></b>	<b><u>\$ 18,749</u></b>	<b><u>\$ 11,528</u></b>	<b><u>\$ 3,621</u></b>	<b><u>\$ 431</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 183	\$ 464	\$ 113
Accrued wages and payroll withholding	-	215	-	36	-
Due to other funds	-	12,490	11,528	-	-
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>12,705</u></b>	<b><u>11,711</u></b>	<b><u>500</u></b>	<b><u>113</u></b>
Fund Balances					
Restricted	-	-	-	3,121	-
Committed	7	6,044	-	-	318
Unassigned (deficit)	-	-	(183)	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>7</u></b>	<b><u>6,044</u></b>	<b><u>(183)</u></b>	<b><u>3,121</u></b>	<b><u>318</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 7</u></b>	<b><u>\$ 18,749</u></b>	<b><u>\$ 11,528</u></b>	<b><u>\$ 3,621</u></b>	<b><u>\$ 431</u></b>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Digital Learning Building	GFB Virtual Learning Grant	2021 Habitat Learning Cohort	Educational Promotions Fund	I Pad Insurance Fund
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 25,377	\$ -	\$ 290,298	\$ 55,550
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	345	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ -</u></b>	<b><u>\$ 25,377</u></b>	<b><u>\$ 345</u></b>	<b><u>\$ 290,298</u></b>	<b><u>\$ 55,550</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ 465	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	843	1,172	-	-	-
Due to other funds	-	-	334	-	-
<b>TOTAL LIABILITIES</b>	<b><u>843</u></b>	<b><u>1,637</u></b>	<b><u>334</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances					
Restricted	-	23,740	11	290,298	-
Committed	-	-	-	-	55,550
Unassigned (deficit)	(843)	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>(843)</u></b>	<b><u>23,740</u></b>	<b><u>11</u></b>	<b><u>290,298</u></b>	<b><u>55,550</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ -</u></b>	<b><u>\$ 25,377</u></b>	<b><u>\$ 345</u></b>	<b><u>\$ 290,298</u></b>	<b><u>\$ 55,550</u></b>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Summer School Incentive	Upward Pathways Program	Early Intervention Grant	Medicaid Reimbursement - State	STEM-Prim Math Pilot Program
<b>ASSETS</b>					
Cash and investments	\$ 2,006	\$ 10,000	\$ 617	\$ 82,636	\$ -
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 2,006</u></b>	<b><u>\$ 10,000</u></b>	<b><u>\$ 617</u></b>	<b><u>\$ 82,636</u></b>	<b><u>\$ -</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 545	\$ -	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>545</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances					
Restricted	1,461	10,000	617	82,636	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>1,461</u></b>	<b><u>10,000</u></b>	<b><u>617</u></b>	<b><u>82,636</u></b>	<b><u>-</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 2,006</u></b>	<b><u>\$ 10,000</u></b>	<b><u>\$ 617</u></b>	<b><u>\$ 82,636</u></b>	<b><u>\$ -</u></b>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Alternative Education 2019- 20	CTE Summer Bridge Program	Career Ladders Grant	COPS Cameras
<b>ASSETS</b>				
Cash and investments	\$ 32,594	\$ -	\$ 412,154	\$ -
Receivables:				
Accounts	-	-	-	-
Intergovernmental	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 32,594</u>	<u>\$ -</u>	<u>\$ 412,154</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 4,480	\$ 137	\$ -	\$ -
Accrued wages and payroll withholding	6,849	1,734	-	-
Due to other funds	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>11,329</u>	<u>1,871</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	21,265	-	412,154	-
Committed	-	-	-	-
Unassigned (deficit)	-	(1,871)	-	-
<b>TOTAL FUND BALANCES</b>	<u>21,265</u>	<u>(1,871)</u>	<u>412,154</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 32,594</u>	<u>\$ -</u>	<u>\$ 412,154</u>	<u>\$ -</u>

## MUNCIE COMMUNITY SCHOOLS

### COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Medicaid Reimbursement - FED	ESSER II Grant	2018/19 Title I Basic Grant	Adult Basic Education Grants
<b>ASSETS</b>				
Cash and investments	\$ 327,341	\$ -	\$ -	\$ 5,985
Receivables:				
Accounts	-	-	-	-
Intergovernmental	-	671,382	-	-
<b>TOTAL ASSETS</b>	<b>\$ 327,341</b>	<b>\$ 671,382</b>	<b>\$ -</b>	<b>\$ 5,985</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ 386	\$ -	\$ 143
Accrued wages and payroll withholding	-	3,591	-	10,931
Due to other funds	-	671,382	217,110	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>675,359</b>	<b>217,110</b>	<b>11,074</b>
Fund Balances				
Restricted	327,341	-	-	-
Committed	-	-	-	-
Unassigned (deficit)	-	(3,977)	(217,110)	(5,089)
<b>TOTAL FUND BALANCES</b>	<b>327,341</b>	<b>(3,977)</b>	<b>(217,110)</b>	<b>(5,089)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 327,341</b>	<b>\$ 671,382</b>	<b>\$ -</b>	<b>\$ 5,985</b>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	BBF Rapid Grant	Ball Brothers Grants	Cares Act Grants	Donation Funds	Dual Language Grants
<b>ASSETS</b>					
Cash and investments	\$ 22,962	\$ 350,939	\$ -	\$ 21,081	\$ -
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	47,448	-	10,929
	-	-	47,448	-	10,929
<b>TOTAL ASSETS</b>	<b>\$ 22,962</b>	<b>\$ 350,939</b>	<b>\$ 47,448</b>	<b>\$ 21,081</b>	<b>\$ 10,929</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 1,919	\$ 11,490	\$ 19,989	\$ -	\$ 4,308
Accrued wages and payroll withholding	-	-	129	-	-
Due to other funds	-	-	47,448	-	10,929
	-	-	47,448	-	10,929
<b>TOTAL LIABILITIES</b>	<b>1,919</b>	<b>11,490</b>	<b>67,566</b>	<b>-</b>	<b>15,237</b>
Fund Balances					
Restricted	21,043	339,449	-	21,081	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	(20,118)	-	(4,308)
	-	-	(20,118)	-	(4,308)
<b>TOTAL FUND BALANCES</b>	<b>21,043</b>	<b>339,449</b>	<b>(20,118)</b>	<b>21,081</b>	<b>(4,308)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 22,962</b>	<b>\$ 350,939</b>	<b>\$ 47,448</b>	<b>\$ 21,081</b>	<b>\$ 10,929</b>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Excellence in Performance Grants	George and Frances Ball	High Ability Grants	IDEA Grants	Kindergarten Kickoff
<b>ASSETS</b>					
Cash and investments	\$ 4,545	\$ 11,124	\$ 39,050	\$ -	\$ 4,805
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 4,545</u></b>	<b><u>\$ 11,124</u></b>	<b><u>\$ 39,050</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,805</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 3,918	\$ -	\$ -
Accrued wages and payroll withholding	-	6,396	-	-	-
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>6,396</u></b>	<b><u>3,918</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances					
Restricted	4,545	-	35,132	-	4,805
Committed	-	4,728	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>4,545</u></b>	<b><u>4,728</u></b>	<b><u>35,132</u></b>	<b><u>-</u></b>	<b><u>4,805</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 4,545</u></b>	<b><u>\$ 11,124</u></b>	<b><u>\$ 39,050</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 4,805</u></b>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Literacy Grant	Non English Speaking Grants	Perkins Grant	Scholarship Funds	Secured School Grants
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 23,031	\$ -	\$ 449,644	\$ -
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	80,864	-	104,663
	-	-	80,864	-	104,663
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 23,031</b>	<b>\$ 80,864</b>	<b>\$ 449,644</b>	<b>\$ 104,663</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ -	\$ 698	\$ 3,198	\$ -	\$ 5,133
Accrued wages and payroll withholding	-	-	2,434	-	-
Due to other funds	-	-	80,864	-	104,663
	-	698	86,496	-	109,796
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>698</b>	<b>86,496</b>	<b>-</b>	<b>109,796</b>
Fund Balances					
Restricted	-	22,333	-	449,644	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	(5,632)	-	(5,133)
	-	22,333	(5,632)	449,644	(5,133)
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>22,333</b>	<b>(5,632)</b>	<b>449,644</b>	<b>(5,133)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 23,031</b>	<b>\$ 80,864</b>	<b>\$ 449,644</b>	<b>\$ 104,663</b>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Special Education	Textbook Rental	Title I Grants	Athletics Fund	School Lunch Fund
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 1,739,309	\$ -	\$ 56,118	\$ 1,113
Receivables:					
Accounts	-	3,003	-	-	-
Intergovernmental	-	-	441,048	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,742,312</u></b>	<b><u>\$ 441,048</u></b>	<b><u>\$ 56,118</u></b>	<b><u>\$ 1,113</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 38,943	\$ 9,414	\$ 112,495	\$ -	\$ -
Accrued wages and payroll withholding	65,875	-	173,870	-	-
Due to other funds	254,241	-	441,317	-	-
<b>TOTAL LIABILITIES</b>	<b><u>359,059</u></b>	<b><u>9,414</u></b>	<b><u>727,682</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Fund Balances					
Restricted	-	1,732,898	-	-	-
Committed	-	-	-	56,118	1,113
Unassigned (deficit)	(359,059)	-	(286,634)	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>(359,059)</u></b>	<b><u>1,732,898</u></b>	<b><u>(286,634)</u></b>	<b><u>56,118</u></b>	<b><u>1,113</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ -</u></b>	<b><u>\$ 1,742,312</u></b>	<b><u>\$ 441,048</u></b>	<b><u>\$ 56,118</u></b>	<b><u>\$ 1,113</u></b>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Title II Grants	Title III Grants	Title IV Grants	Vocational COOP	Total Special Revenue
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ 2,140	\$ 7,161,131
Receivables:					
Accounts	-	-	-	-	12,527
Intergovernmental	32,825	1,464	17,710	-	1,441,955
 TOTAL ASSETS	 \$ 32,825	 \$ 1,464	 \$ 17,710	 \$ 2,140	 \$ 8,615,613
 <b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 2,504	\$ 25	\$ 2,008	\$ -	\$ 235,381
Accrued wages and payroll withholding	24,202	418	8,034	-	322,767
Due to other funds	32,825	1,464	17,710	-	1,907,305
 TOTAL LIABILITIES	 59,531	 1,907	 27,752	 -	 2,465,453
 Fund Balances					
Restricted	-	-	-	2,140	4,447,246
Committed	-	-	-	-	2,650,062
Unassigned (deficit)	(26,706)	(443)	(10,042)	-	(947,148)
 TOTAL FUND BALANCES	 (26,706)	 (443)	 (10,042)	 2,140	 6,150,160
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 32,825	 \$ 1,464	 \$ 17,710	 \$ 2,140	 \$ 8,615,613

## MUNCIE COMMUNITY SCHOOLS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Cafeteria Fund	Educational Promotions Fund	PBIS Grant - Star Press	Harry & Janet Kitzelman Fund	ONB Comm Volunteer Pass-Thru
<b>REVENUES</b>					
Local sources	\$ 162,943	\$ -	\$ -	\$ 25,000	\$ 48,634
Intermediate sources	-	581	-	-	-
State sources	3,324,657	-	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>3,487,600</u>	<u>581</u>	<u>-</u>	<u>25,000</u>	<u>48,634</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	-	-	13,007	21,988	-
Support services	161	1,075	-	-	51,409
Community services	2,518,566	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>2,518,727</u>	<u>1,075</u>	<u>13,007</u>	<u>21,988</u>	<u>51,409</u>
Excess (deficiency) of revenues over (under) expenditures	<u>968,873</u>	<u>(494)</u>	<u>(13,007)</u>	<u>3,012</u>	<u>(2,775)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>968,873</u>	<u>(494)</u>	<u>(13,007)</u>	<u>3,012</u>	<u>(2,775)</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>1,494,954</u>	<u>1,596</u>	<u>41,878</u>	<u>-</u>	<u>2,775</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 2,463,827</u>	<u>\$ 1,102</u>	<u>\$ 28,871</u>	<u>\$ 3,012</u>	<u>\$ -</u>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Alternative Ed. Grant	Lilly Counsel Initiative	BIC Grant - Food Service	Ball Found Afterschool P3 Xtream	BBF-Excellence Teaching Award Donations
<b>REVENUES</b>					
Local sources	\$ -	\$ 14,500	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	32,528	-	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>32,528</u>	<u>14,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	9,958	70,003	-	-	10,772
Support services	-	-	-	-	-
Community services	-	-	55,722	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>9,958</u>	<u>70,003</u>	<u>55,722</u>	<u>-</u>	<u>10,772</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,570</u>	<u>(55,503)</u>	<u>(55,722)</u>	<u>-</u>	<u>(10,772)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	-	-	-	-	-
Transfer out	<u>(171,000)</u>	<u>-</u>	<u>-</u>	<u>(4,445)</u>	<u>-</u>
<b>Total Other Financing Sources</b>	<u>(171,000)</u>	<u>-</u>	<u>-</u>	<u>(4,445)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(148,430)</u>	<u>(55,503)</u>	<u>(55,722)</u>	<u>(4,445)</u>	<u>(10,772)</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>242,973</u>	<u>293,037</u>	<u>55,722</u>	<u>4,445</u>	<u>12,291</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 94,543</u>	<u>\$ 237,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,519</u>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

		CFP			
	Mutual Bank Enrichment Grant	Foundation Community Grant	BBF-Improve, Innov Enhance Grant	In & Out Other	Adventure Envir Learn Cntr Fund
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ 17,632	\$ 117,339	\$ 1,700
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>17,632</u>	<u>117,339</u>	<u>1,700</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	-	6,092	65,329	107,755	-
Support services	-	-	106,880	-	11,613
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	15,000	-	-
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>6,092</u>	<u>187,209</u>	<u>107,755</u>	<u>11,613</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(6,092)</u>	<u>(169,577)</u>	<u>9,584</u>	<u>(9,913)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>(6,092)</u>	<u>(169,577)</u>	<u>9,584</u>	<u>(9,913)</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>22</u>	<u>6,570</u>	<u>282,775</u>	<u>7,095</u>	<u>41,553</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 22</u>	<u>\$ 478</u>	<u>\$ 113,198</u>	<u>\$ 16,679</u>	<u>\$ 31,640</u>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Community Fund - Longfellow Fitness	Central ROTC Services Fund	Christmas Sing Fund	Successful Schools - BSU	2020 Career Ladders Grant
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ 128,318	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	76,617	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>76,617</u>	<u>-</u>	<u>128,318</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	-	62,667	-	-	-
Support services	-	-	-	90,339	-
Community services	-	-	-	-	-
Facilities acquisition and construction	1,276	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,276</u>	<u>62,667</u>	<u>-</u>	<u>90,339</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,276)</u>	<u>13,950</u>	<u>-</u>	<u>37,979</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	(37,979)	(462,750)
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,979)</u>	<u>(462,750)</u>
<b>Net change in fund balance</b>	<u>(1,276)</u>	<u>13,950</u>	<u>-</u>	<u>-</u>	<u>(462,750)</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>2,250</u>	<u>5,406</u>	<u>5,496</u>	<u>-</u>	<u>462,750</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 974</u>	<u>\$ 19,356</u>	<u>\$ 5,496</u>	<u>\$ -</u>	<u>\$ -</u>

## MUNCIE COMMUNITY SCHOOLS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	2016 PBIS Meridian Intecare Grant	2016/17 RFF Evidence Based Prc	Formative Assessment Grant	Special Education Student Reimbursement
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ 2,500	\$ -
Intermediate sources	-	-	-	-
State sources	-	-	53,220	41,938
Federal sources	-	-	-	-
Other	-	-	-	-
TOTAL REVENUES	-	-	55,720	41,938
<b>EXPENDITURES</b>				
Current:				
Instruction	1,169	654	79,425	41,938
Support services	-	-	-	-
Community services	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Nonprogrammed charges	-	-	-	-
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	1,169	654	79,425	41,938
Excess (deficiency) of revenues over (under) expenditures	(1,169)	(654)	(23,705)	-
<b>OTHER FINANCING SOURCES</b>				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total Other Financing Sources	-	-	-	-
Net change in fund balance	(1,169)	(654)	(23,705)	-
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	4,091	654	23,705	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 2,922	\$ -	\$ -	\$ -

# MUNCIE COMMUNITY SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Pre-School Program	I Pad Insurance Fund	Technology Contingency Fund	Career Tech Perf Grant	Connectivity Technology Grant
<b>REVENUES</b>					
Local sources	\$ 142,041	\$ 25,994	\$ 311	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	3,789
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>142,041</u>	<u>25,994</u>	<u>311</u>	<u>-</u>	<u>3,789</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	50,663	-	-	4,001	-
Support services	-	179	-	-	555
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>50,663</u>	<u>179</u>	<u>-</u>	<u>4,001</u>	<u>555</u>
Excess (deficiency) of revenues over (under) expenditures	<u>91,378</u>	<u>25,815</u>	<u>311</u>	<u>(4,001)</u>	<u>3,234</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	-	-	-	-	-
Transfer out	-	(64,583)	(480,998)	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>(64,583)</u>	<u>(480,998)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>91,378</u>	<u>(38,768)</u>	<u>(480,687)</u>	<u>(4,001)</u>	<u>3,234</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>37,683</u>	<u>38,768</u>	<u>480,687</u>	<u>17,694</u>	<u>555</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 129,061</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,693</u>	<u>\$ 3,789</u>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Come Back Stronger Grant	2018/19 Mp3 - Ball Brother	2016/17 McKinney-Vento Education	CF-Mental Health Program	Sursa Award Honor Jim Williams
<b>REVENUES</b>					
Local sources	\$ -	\$ 182,689	\$ 37,308	\$ 7,740	\$ 1,000
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>182,689</u>	<u>37,308</u>	<u>7,740</u>	<u>1,000</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	16,993	143,698	24,272	4,619	-
Support services	-	-	20,102	-	-
Community services	-	-	-	-	682
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>16,993</u>	<u>143,698</u>	<u>44,374</u>	<u>4,619</u>	<u>682</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,993)</u>	<u>38,991</u>	<u>(7,066)</u>	<u>3,121</u>	<u>318</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	-	6,893	-	-	-
Transfer out	-	(39,840)	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>(32,947)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(16,993)</u>	<u>6,044</u>	<u>(7,066)</u>	<u>3,121</u>	<u>318</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>17,000</u>	<u>-</u>	<u>6,883</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 7</u>	<u>\$ 6,044</u>	<u>\$ (183)</u>	<u>\$ 3,121</u>	<u>\$ 318</u>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Digital Learning Building	GFB Virtual Learning Grant	2021 Habitat Learning Cohort	Educational Promotions Fund	I Pad Insurance Fund
<b>REVENUES</b>					
Local sources	\$ -	\$ 46,000	\$ 1,944	\$ 1,116	\$ 15,097
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>46,000</u>	<u>1,944</u>	<u>1,116</u>	<u>15,097</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	-	-	1,933	-	-
Support services	843	22,260	-	191,816	24,130
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>843</u>	<u>22,260</u>	<u>1,933</u>	<u>191,816</u>	<u>24,130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(843)</u>	<u>23,740</u>	<u>11</u>	<u>(190,700)</u>	<u>(9,033)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	-	-	-	480,998	64,583
Transfer out	-	-	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>480,998</u>	<u>64,583</u>
<b>Net change in fund balance</b>	<u>(843)</u>	<u>23,740</u>	<u>11</u>	<u>290,298</u>	<u>55,550</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ (843)</u>	<u>\$ 23,740</u>	<u>\$ 11</u>	<u>\$ 290,298</u>	<u>\$ 55,550</u>

## MUNCIE COMMUNITY SCHOOLS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Summer School Incentive	Upward Pathways Program	Early Intervention Grant	Medicaid Reimbursement - State	STEM-Prim Math Pilot Program
<b>REVENUES</b>					
Local sources	\$ 2,500	\$ 10,000	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	16,993	52,621	1,254
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>2,500</u>	<u>10,000</u>	<u>16,993</u>	<u>52,621</u>	<u>1,254</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	1,039	-	16,376	-	1,254
Support services	-	-	-	-	-
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,039</u>	<u>-</u>	<u>16,376</u>	<u>-</u>	<u>1,254</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,461</u>	<u>10,000</u>	<u>617</u>	<u>52,621</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	-	-	-	120,629	-
Transfer out	-	-	-	(90,614)	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,015</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>1,461</u>	<u>10,000</u>	<u>617</u>	<u>82,636</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 1,461</u>	<u>\$ 10,000</u>	<u>\$ 617</u>	<u>\$ 82,636</u>	<u>\$ -</u>

## MUNCIE COMMUNITY SCHOOLS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Alternative Education 2019- 20	CTE Summer Bridge Program	Career Ladders Grant	COPS Cameras
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-
State sources	-	-	-	500,000
Federal sources	-	-	-	-
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	126,773	1,871	-	-
Support services	22,962	-	50,596	500,000
Community services	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Nonprogrammed charges	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>149,735</u>	<u>1,871</u>	<u>50,596</u>	<u>500,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(149,735)</u>	<u>(1,871)</u>	<u>(50,596)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer in	171,000	-	462,750	-
Transfer out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>171,000</u>	<u>-</u>	<u>462,750</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>21,265</u>	<u>(1,871)</u>	<u>412,154</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 21,265</u>	<u>\$ (1,871)</u>	<u>\$ 412,154</u>	<u>\$ -</u>

## MUNCIE COMMUNITY SCHOOLS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Medicaid Reimbursement -		2018/19 Title I Basic Grant	Adult Basic Education Grants
	FED	ESSER II Grant		
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ -	\$ 1,471
Intermediate sources	-	-	-	-
State sources	215,325	671,382	-	324,325
Federal sources	-	-	-	38,448
Other	-	-	-	-
<b>TOTAL REVENUES</b>	<u>215,325</u>	<u>671,382</u>	<u>-</u>	<u>364,244</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	-	619,246	218,229	364,832
Support services	-	56,113	449	-
Community services	-	-	-	-
Facilities acquisition and construction	-	-	-	-
Nonprogrammed charges	-	-	-	-
Capital Outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>675,359</u>	<u>218,678</u>	<u>364,832</u>
Excess (deficiency) of revenues over (under) expenditures	<u>215,325</u>	<u>(3,977)</u>	<u>(218,678)</u>	<u>(588)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfer in	112,016	-	1,568	-
Transfer out	-	-	-	-
<b>Total Other Financing Sources</b>	<u>112,016</u>	<u>-</u>	<u>1,568</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>327,341</u>	<u>(3,977)</u>	<u>(217,110)</u>	<u>(588)</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,501)</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 327,341</u>	<u>\$ (3,977)</u>	<u>\$ (217,110)</u>	<u>\$ (5,089)</u>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	BBF Rapid Grant	Ball Brothers Grants	Cares Act Grants	Donation Funds	Dual Language Grants
<b>REVENUES</b>					
Local sources	\$ 100,000	\$ 470,000	\$ -	\$ 188,588	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	1,574,792	-	35,691
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>100,000</u>	<u>470,000</u>	<u>1,574,792</u>	<u>188,588</u>	<u>35,691</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	15,608	7,904	1,160,747	8,636	36,365
Support services	73,349	30,320	352,803	183,869	-
Community services	-	35,198	-	-	-
Facilities acquisition and construction	-	-	81,360	-	-
Nonprogrammed charges	-	-	-	159,622	-
Capital Outlay	-	18,750	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>88,957</u>	<u>92,172</u>	<u>1,594,910</u>	<u>352,127</u>	<u>36,365</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,043</u>	<u>377,828</u>	<u>(20,118)</u>	<u>(163,539)</u>	<u>(674)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	-	-	-	-	-
Transfer out	-	(34,833)	-	-	(9,275)
<b>Total Other Financing Sources</b>	<u>-</u>	<u>(34,833)</u>	<u>-</u>	<u>-</u>	<u>(9,275)</u>
<b>Net change in fund balance</b>	<u>11,043</u>	<u>342,995</u>	<u>(20,118)</u>	<u>(163,539)</u>	<u>(9,949)</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>10,000</u>	<u>(3,546)</u>	<u>-</u>	<u>184,620</u>	<u>5,641</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 21,043</u>	<u>\$ 339,449</u>	<u>\$ (20,118)</u>	<u>\$ 21,081</u>	<u>\$ (4,308)</u>

## MUNCIE COMMUNITY SCHOOLS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Excellence in Performance Grants	George and Frances Ball	High Ability Grants	IDEA Grants	Kindergarten Kickoff
<b>REVENUES</b>					
Local sources	\$ -	\$ 257,045	\$ -	\$ -	\$ 2,000
Intermediate sources	-	-	-	-	-
State sources	179,817	-	41,598	-	-
Federal sources	-	-	-	375,140	-
Other	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>179,817</u>	<u>257,045</u>	<u>41,598</u>	<u>375,140</u>	<u>2,000</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	180,600	124,041	34,851	475,732	-
Support services	-	-	5,103	39,912	-
Community services	-	-	-	-	-
Facilities acquisition and construction	-	33,050	-	-	-
Nonprogrammed charges	-	-	-	-	-
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>180,600</u>	<u>157,091</u>	<u>39,954</u>	<u>515,644</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(783)</u>	<u>99,954</u>	<u>1,644</u>	<u>(140,504)</u>	<u>2,000</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	-	-	-	-	-
Transfer out	-	(31,283)	-	-	-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>(31,283)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(783)</u>	<u>68,671</u>	<u>1,644</u>	<u>(140,504)</u>	<u>2,000</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>5,328</u>	<u>(63,943)</u>	<u>33,488</u>	<u>140,504</u>	<u>2,805</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ 4,545</u>	<u>\$ 4,728</u>	<u>\$ 35,132</u>	<u>\$ -</u>	<u>\$ 4,805</u>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

		Non English Speaking Literacy Grant	Grants	Perkins Grant	Scholarship Funds	Secured School Grants
<b>REVENUES</b>						
Local sources	\$	-	\$ 103	\$ -	\$ 8,308	\$ -
Intermediate sources		-	-	-	-	-
State sources		-	33,967	217,663	-	121,090
Federal sources		-	-	187,809	-	-
Other		-	-	-	-	-
<b>TOTAL REVENUES</b>		<u>-</u>	<u>34,070</u>	<u>405,472</u>	<u>8,308</u>	<u>121,090</u>
<b>EXPENDITURES</b>						
Current:						
Instruction		-	7,341	404,742	-	-
Support services		1,075	14,866	-	-	124,723
Community services		-	4,016	-	-	-
Facilities acquisition and construction		-	-	-	-	-
Nonprogrammed charges		-	-	-	39,999	-
Capital Outlay		-	-	-	-	-
<b>TOTAL EXPENDITURES</b>		<u>1,075</u>	<u>26,223</u>	<u>404,742</u>	<u>39,999</u>	<u>124,723</u>
Excess (deficiency) of revenues over (under) expenditures		<u>(1,075)</u>	<u>7,847</u>	<u>730</u>	<u>(31,691)</u>	<u>(3,633)</u>
<b>OTHER FINANCING SOURCES</b>						
Transfer in		-	-	-	-	-
Transfer out		-	-	(2,024)	-	-
<b>Total Other Financing Sources</b>		<u>-</u>	<u>-</u>	<u>(2,024)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>		<u>(1,075)</u>	<u>7,847</u>	<u>(1,294)</u>	<u>(31,691)</u>	<u>(3,633)</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>		<u>1,075</u>	<u>14,486</u>	<u>(4,338)</u>	<u>481,335</u>	<u>(1,500)</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<b>\$</b>	<u>-</u>	<u>\$ 22,333</u>	<u>\$ (5,632)</u>	<u>\$ 449,644</u>	<u>\$ (5,133)</u>

## MUNCIE COMMUNITY SCHOOLS

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Special Education	Textbook Rental	Title I Grants	Athletics Fund	School Lunch Fund
<b>REVENUES</b>					
Local sources	\$ -	\$ 110,792	\$ -	\$ -	\$ 56,780
Intermediate sources	-	-	-	-	-
State sources	1,136,672	249,689	2,792,433	-	-
Federal sources	42,172	-	1,963,884	-	-
Other	-	-	-	177,633	-
<b>TOTAL REVENUES</b>	<u>1,178,844</u>	<u>360,481</u>	<u>4,756,317</u>	<u>177,633</u>	<u>56,780</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	1,393,606	73,796	2,541,433	-	-
Support services	71,005	89,934	2,276,054	-	56,272
Community services	-	-	30,345	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	209,171	-
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,464,611</u>	<u>163,730</u>	<u>4,847,832</u>	<u>209,171</u>	<u>56,272</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(285,767)</u>	<u>196,751</u>	<u>(91,515)</u>	<u>(31,538)</u>	<u>508</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	12,245	149,546	-	-	-
Transfer out	<u>(63,322)</u>	<u>-</u>	<u>(42,383)</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources</b>	<u>(51,077)</u>	<u>149,546</u>	<u>(42,383)</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(336,844)</u>	<u>346,297</u>	<u>(133,898)</u>	<u>(31,538)</u>	<u>508</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>(22,215)</u>	<u>1,386,601</u>	<u>(152,736)</u>	<u>87,656</u>	<u>605</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ (359,059)</u>	<u>\$ 1,732,898</u>	<u>\$ (286,634)</u>	<u>\$ 56,118</u>	<u>\$ 1,113</u>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Title II Grants	Title III Grants	Title IV Grants	Vocational COOP	Total Special Revenue
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 2,187,393
Intermediate sources	-	-	-	-	581
State sources	265,850	7,427	7,820	-	11,902,541
Federal sources	-	158,388	166,835	-	3,009,293
Other	-	-	-	-	177,633
<b>TOTAL REVENUES</b>	<u>265,850</u>	<u>165,815</u>	<u>174,655</u>	<u>-</u>	<u>17,277,441</u>
<b>EXPENDITURES</b>					
Current:					
Instruction	83,639	-	9,600	-	8,645,197
Support services	194,844	162,740	168,250	-	4,996,601
Community services	10,608	1,580	-	-	2,656,717
Facilities acquisition and construction	-	-	-	-	115,686
Nonprogrammed charges	-	-	-	-	423,792
Capital Outlay	-	-	-	-	18,750
<b>TOTAL EXPENDITURES</b>	<u>289,091</u>	<u>164,320</u>	<u>177,850</u>	<u>-</u>	<u>16,856,743</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,241)</u>	<u>1,495</u>	<u>(3,195)</u>	<u>-</u>	<u>420,698</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	-	-	-	-	1,582,228
Transfer out	(2,029)	-	(503)	-	(1,537,861)
<b>Total Other Financing Sources</b>	<u>(2,029)</u>	<u>-</u>	<u>(503)</u>	<u>-</u>	<u>44,367</u>
<b>Net change in fund balance</b>	<u>(25,270)</u>	<u>1,495</u>	<u>(3,698)</u>	<u>-</u>	<u>465,065</u>
<b>FUND BALANCE (DEFICIT) - BEGINNING OF YEAR</b>	<u>(1,436)</u>	<u>(1,938)</u>	<u>(6,344)</u>	<u>2,140</u>	<u>5,685,095</u>
<b>FUND BALANCE (DEFICIT) - END OF YEAR</b>	<u>\$ (26,706)</u>	<u>\$ (443)</u>	<u>\$ (10,042)</u>	<u>\$ 2,140</u>	<u>\$ 6,150,160</u>

**MUNCIE COMMUNITY SCHOOLS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS  
June 30, 2021

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	<u>Building Corporation</u>
<b>ASSETS</b>	
Cash and investments	<u>\$ 2,122,486</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Total Liabilities	<u>\$ -</u>
Fund Balances	
Restricted	<u>\$ 2,122,486</u>

**MUNCIE COMMUNITY SCHOOLS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS  
For the Year Ended June 30, 2021

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	<u>Building Corporation</u>
<b>REVENUES</b>	
Local sources	\$ <u>27</u>
<b>EXPENDITURES</b>	
Current	
Nonprogrammed charges	3,850
Debt Service	
Principal paid on debt	3,120,000
Interest on debt	<u>946,133</u>
 TOTAL EXPENDITURES	 <u>4,069,983</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>(4,069,956)</u>
<b>OTHER FINANCING SOURCES</b>	
Transfer in	<u>4,072,000</u>
 Net change in fund balance	 <u>2,044</u>
 FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	 <u>2,120,442</u>
 FUND BALANCE (DEFICIT) - END OF YEAR	 <u>\$ 2,122,486</u>

**MUNCIE COMMUNITY SCHOOLS**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS  
June 30, 2021

---

	2014 GO Construction Bond Fund
<b>ASSETS</b>	
Cash and investments	<u>\$        662,148</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Accounts payable	<u>\$        157,351</u>
Fund Balances	
Restricted	<u>          504,797</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$        662,148</u>

# MUNCIE COMMUNITY SCHOOLS

## COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS For the Year Ended June 30, 2021

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	2014 GO Construction Bond Fund
<b>EXPENDITURES</b>	
Current	
Facilities acquisition and construction	\$ 171,740
Capital outlay	<u>508,243</u>
Total Expenditures	<u>679,983</u>
Excess (deficiency) of revenues over (under) expenditures	 <u>(679,983)</u>
Net change in fund balance	 <u>(679,983)</u>
FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	 <u>1,184,780</u>
FUND BALANCE - END OF YEAR	 <u>\$ 504,797</u>

**MUNCIE COMMUNITY SCHOOL CORPORATION**

COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
CUSTODIAL FUNDS  
June 30, 2021

---

	Muncie Central Highschool ECA	Northside Middle School ECA	Southside Middle School ECA	East Washington Academy ECA
<u>Assets</u>				
Cash and cash equivalents	\$ 145,970	\$ 16,164	\$ 27,780	\$ 20,719
Intergovernmental receivable	-	-	-	-
Total assets	<u>\$ 145,970</u>	<u>\$ 16,164</u>	<u>\$ 27,780</u>	<u>\$ 20,719</u>
<u>Liabilities</u>				
Trust payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
<u>Net Position</u>				
Net Position - Ending	<u>\$ 145,970</u>	<u>\$ 16,164</u>	<u>\$ 27,780</u>	<u>\$ 20,719</u>

**MUNCIE COMMUNITY SCHOOL CORPORATION**

COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
CUSTODIAL FUNDS  
June 30, 2021

---

	Grissom Elementary School ECA	Longfellow Elementary School ECA	North View Elementary School ECA	South View Elementary School ECA
<u>Assets</u>				
Cash and cash equivalents	\$ 12,907	\$ 8,730	\$ 28,814	\$ 29,552
Intergovernmental receivable	-	-	-	-
Total assets	<u>\$ 12,907</u>	<u>\$ 8,730</u>	<u>\$ 28,814</u>	<u>\$ 29,552</u>
<u>Liabilities</u>				
Trust payable	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
<u>Net Position</u>				
Net Position - Ending	<u>\$ 12,907</u>	<u>\$ 8,730</u>	<u>\$ 28,814</u>	<u>\$ 29,552</u>

# MUNCIE COMMUNITY SCHOOL CORPORATION

## COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS June 30, 2021

---

	West View Elementary School ECA	Muncie Area Career Center ECA	Special Education Pass-through	Prepaid Lunch	Totals
<b><u>Assets</u></b>					
Cash and cash equivalents	\$ 22,812	\$ 60,031	\$ 302,387	\$ 30,304	\$ 706,170
Intergovernmental receivable	-	-	295,344	-	295,344
Total assets	<u>\$ 22,812</u>	<u>\$ 60,031</u>	<u>\$ 597,731</u>	<u>\$ 30,304</u>	<u>\$ 1,001,514</u>
<b><u>Liabilities</u></b>					
Trust payable	\$ -	\$ -	\$ -	\$ 30,304	\$ 30,304
Total liabilities	-	-	-	30,304	30,304
<b><u>Net Position</u></b>					
Net Position - Ending	<u>\$ 22,812</u>	<u>\$ 60,031</u>	<u>\$ 597,731</u>	<u>\$ -</u>	<u>\$ 971,210</u>

## MUNCIE COMMUNITY SCHOOL CORPORATION

### COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS For the Fiscal Year Ended June 30, 2021

<u>Additions</u>	Muncie Central Highschool ECA	Northside Middle School ECA	Southside Middle School ECA	East Washington Academy ECA
Student receipts	\$ 33,732	\$ 17,175	\$ 324	\$ 13,678
Faculty receipts	68,202	992	-	-
Athletic receipts	-	-	-	-
Local sources	-	-	-	-
Fundraisers	843	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
Transfers in	-	-	-	-
Other	-	17,209	31,053	20,808
<b>Total additions</b>	<b>102,777</b>	<b>35,376</b>	<b>31,377</b>	<b>34,486</b>
<u>Deductions</u>				
Student activities	15,302	19,669	1,967	21,059
Support services	3,265	1,403	27,172	250
Instruction	26,826	17,691	10,738	16,402
Paid to other governments	-	-	-	-
Transfers out	-	-	-	-
Other	45,602	5,170	-	4,780
<b>Total deductions</b>	<b>90,995</b>	<b>43,933</b>	<b>39,877</b>	<b>42,491</b>
Changes in net position	11,782	(8,557)	(8,500)	(8,005)
Net position - beginning	134,188	24,721	36,280	28,724
Net position - ending	<u>\$ 145,970</u>	<u>\$ 16,164</u>	<u>\$ 27,780</u>	<u>\$ 20,719</u>

## MUNCIE COMMUNITY SCHOOL CORPORATION

### COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS For the Fiscal Year Ended June 30, 2021

<u>Additions</u>	Grissom Elementary School ECA	Longfellow Elementary School ECA	North View Elementary School ECA	South View Elementary School ECA
Student receipts	\$ 6,207	\$ 1,563	\$ 14,030	\$ 20,900
Faculty receipts	3,698	-	90	-
Athletic receipts	-	-	-	-
Local sources	472	-	-	-
Fundraisers	-	30	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
Transfers in	-	-	-	-
Other	67,440	4,042	5,996	24,198
Total additions	<u>77,817</u>	<u>5,635</u>	<u>20,116</u>	<u>45,098</u>
<u>Deductions</u>				
Student activities	7,190	847	14,119	9,462
Support services	3,744	30	194	-
Instruction	66,988	-	3,909	24,161
Paid to other governments	-	-	-	-
Transfers out	-	-	-	-
Other	-	3,970	2,884	-
Total deductions	<u>77,922</u>	<u>4,847</u>	<u>21,106</u>	<u>33,623</u>
Changes in net position	(105)	788	(990)	11,475
Net position - beginning	<u>13,012</u>	<u>7,942</u>	<u>29,804</u>	<u>18,077</u>
Net position - ending	<u>\$ 12,907</u>	<u>\$ 8,730</u>	<u>\$ 28,814</u>	<u>\$ 29,552</u>

# MUNCIE COMMUNITY SCHOOL CORPORATION

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS For the Fiscal Year Ended June 30, 2021

<u>Additions</u>	West View Elementary School ECA	Muncie Area Career Center ECA	Special Education Preschool	Prepaid Lunch	Total
Student receipts	\$ 4,112	\$ 497	\$ -	\$ -	\$ 112,218
Faculty receipts	839	151	-	-	73,972
Athletic receipts	-	-	-	-	-
Local sources	-	-	-	-	472
Fundraisers	-	55	-	-	928
State sources	-	-	2,888,392	-	2,888,392
Federal sources	-	-	1,962,450	-	1,962,450
Transfers in	-	-	12,245	-	12,245
Other	20,769	15,289	-	45,106	251,910
<b>Total additions</b>	<b>25,720</b>	<b>15,992</b>	<b>4,863,087</b>	<b>45,106</b>	<b>5,302,587</b>
<u>Deductions</u>					
Student activities	8,918	99	-	-	98,632
Support services	754	138	-	-	36,950
Instruction	17,279	14,989	-	-	198,983
Paid to other governments	-	-	4,146,497	-	4,146,497
Transfers out	-	-	118,859	-	118,859
Other	3,974	768	-	45,106	112,254
<b>Total deductions</b>	<b>30,925</b>	<b>15,994</b>	<b>4,265,356</b>	<b>45,106</b>	<b>4,712,175</b>
Changes in net position	(5,205)	(2)	597,731	-	590,412
Net position - beginning	28,017	60,033	-	-	380,798
Net position - ending	<u>\$ 22,812</u>	<u>\$ 60,031</u>	<u>\$ 597,731</u>	<u>\$ -</u>	<u>\$ 971,210</u>

**MUNCIE COMMUNITY SCHOOLS**  
(A Component Unit of Ball State University)  
Muncie, Indiana

**SINGLE AUDIT REPORT IN  
ACCORDANCE WITH UNIFORM GUIDANCE**

June 30, 2021

**MUNCIE COMMUNITY SCHOOLS**  
(A Component Unit of Ball State University)  
Muncie, Indiana

**SINGLE AUDIT REPORT  
IN ACCORDANCE WITH UNIFORM GUIDANCE**  
June 30, 2021

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**INDEPENDENT AUDITOR'S 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**

Those Charged with Governance  
Muncie Community Schools  
Delaware County, Indiana

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Muncie Community Schools (the "School Corporation"), a component of Ball State University, Indiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Corporation's basic financial statements, and have issued our report thereon dated October 8, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

*A deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001, that we consider to be a material weakness.

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(Continued)

## **Compliance and Other Matters**

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

## **Muncie Community Schools' Response to Findings**

The School Corporation's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Crowe LLP

Indianapolis, Indiana  
October 8, 2021

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Those Charged with Governance  
Muncie Community Schools  
Delaware County, Indiana

**Report on Compliance for Each Major Federal Program**

We have audited the Muncie Community Schools' (the "School Corporation") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Corporation's major federal programs for the year ended June 30, 2021. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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(Continued)

## Report on Internal Control over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School Corporation's basic financial statements. We issued our report thereon dated October 8, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Crowe LLP*

Crowe LLP

Indianapolis, Indiana  
June 29, 2022

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**Muncie Community Schools  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2021**

<u>Assistance Listing Number</u>	<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Education - Passed through Indiana</u></b>			
<b><u>Department of Education</u></b>			
	Special Education IDEA Cluster:		
84.027	Special Education Grants to States	H027A190 084	\$ 1,205,978
84.173	Special Education Preschool Grants	H173A180 104	98,768
	Subtotal Special Education IDEA Cluster		<u>1,304,746</u>
	COVID-19: Education Stabilization Fund (ESF) Programs:		
84.425D	COVID-19 - Elementary and Secondary School Emergency Relief Fund (ESSER) Fund	S425D200 013	1,160,226
84.425C	COVID-19 - Governor's Emergency Education Relief Fund: Learning Loss Mitigation	S425C200 018	363,654
	Subtotal COVID-19: Education Stabilization Fund (ESF) Programs		<u>1,523,880</u>
84.048	Career and Technical Education -- Basic Grants to States	21-0512-1970	136,799
84.002A	Adult Education - Basic Grants to States	V002a2001 4	324,325
84.365	English Language Acquisition State Grants	S365A180 014	11,151
84.010	Title I Grants to Local Education Agencies	S010A200 014	4,583,470
84.377	School Improvement Grants	S377A160 015	199,291
84.367	Supporting Effective Instruction State Grants	S365A200 013	440,047
84.196	Education for Homeless Children and Youth	S196A270 015	25,780
84.424	Student Support and Academic Enrichment Program	S424A200 015	161,201
	Total U.S. Department of Education		<u>8,710,690</u>
<b><u>U.S. Department of Agriculture - Passed through Indiana</u></b>			
<b><u>Department of Education</u></b>			
	Child Nutrition Cluster:		
10.559	Summer Food Service Program for Children	2020-2021	2,832,244
	Subtotal Child Nutrition Cluster		<u>2,832,244</u>
10.558	Child and Adult Care Food Program	2020-2021	254,461
	Total U.S. Department of Agriculture		<u>3,086,705</u>
<b><u>U.S. Department of Treasury - Passed through Indiana</u></b>			
<b><u>Department of Education</u></b>			
21.019	Coronavirus Relief Fund: Learning Loss Mitigation - COVID-19	5100covidrelief	3,464
	Total U.S. Department of Treasury		<u>3,464</u>
<b><u>U.S. Department of Health and Human Services - Passed through Indiana</u></b>			
<b><u>Department of Education</u></b>			
93.778	Medical Assistance Program		215,325
	Total U.S. Department of Human Services		<u>215,325</u>
<b><u>U.S. Department of Justice - Passed through Indiana</u></b>			
<b><u>Department of Education</u></b>			
16.710	Public Safety Partnership and Community Policing Grants	2020SVWX	500,000
	Total U.S. Department of Justice		<u>500,000</u>
<b><u>Social Security Administration</u></b>			
	Disability Insurance/SSI Cluster		
96.001	Social Security Disability Insurance	BOLP 736	1,050
	Total - Social Security Administration		<u>1,050</u>
	Total Federal Awards Expended		<u>\$ 12,517,235</u>

See accompanying notes to the schedule of expenditures of federal awards.

**Muncie Community Schools**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2021**

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**NOTE 1 – Basis of Presentation and Other Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards (the “SEFA”) presents the activity of all expenditures of federal awards of the Muncie Community Schools (the “School Corporation”). The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the “Uniform Guidance”). Therefore, some amounts presented in the SEFA may differ from amounts presented in, or used in preparation of, the financial statements of the School Corporation. Expenditures reported on the SEFA are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

There was no subrecipient activity reported during the year.

**NOTE 2 – Indirect Cost Rate**

The School Corporation has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Muncie Community Schools  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

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**PART I: SUMMARY OF AUDITORS' RESULTS**

***Financial Statements:***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

  X   Yes             No

Significant deficiency(ies) identified?

       Yes        X   None reported

Noncompliance material to financial statements noted?

       Yes        X   No

***Federal Awards:***

Internal control over major federal programs:

Material weakness(es) identified?

       Yes        X   No

Significant deficiency(ies) identified?

       Yes        X   None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

       Yes        X   No

Identification of major federal programs:

Assistance Listing Number

Name of Federal Program or Cluster

84.027, 84,173  
10.559  
84.425C, 84.425D

Special Education Cluster  
Child Nutrition Cluster  
Education Stabilization Fund–COVID 19

Dollar threshold used to distinguish type A and B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

       Yes        X   No

**Muncie Community Schools  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2021**

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**PART II: FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS**

**Finding 2021-001 Internal Control Over Financial Reporting (Material Weakness)**

Criteria: GASB 54 in part states "Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term proceeds of specific revenue sources establish that one or more specific restricted or committed revenues should be the foundation for a special revenue fund".

Condition and Context: The Rainy-Day Fund has been historically presented as a special revenue fund, typically funded by internal transfers and not from external resources. Internal transfers are not defined as revenue of the School Corporation. GASB 54 supports the fund being reported as part of the General Fund, which is the Education Fund for the School Corporation. The fund balance sheet is composed of Cash and Investments and Fund Balance totaling \$6.4 million. The Income statement activity consists of Other Financing Sources – Transfers.

Questioned Cost: Not applicable.

Cause: The presentation of the Rainy-Day Fund may meet the requirements of being either part of the General Fund or in some cases, treated as a special revenue fund. When the School Corporation first converted to GAAP presentation of the financial statements in the last couple years, the GAAP criteria was not fully vetted for all the characteristics of the fund to determine proper reporting treatment.

Effect: The Rainy-Day fund was incorrectly reported as a major special revenue fund.

Identification as a Repeat Finding, if Applicable: Not applicable.

Auditor Recommendation: We recommended removing the Rainy-Day Fund as a special revenue major fund and including it as part of the Education Fund as a prior period adjustment and for current and future presentation.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the issue and corrected the financial statement presentation in the current year and posted a prior period adjustment to move the Rainy-Day Fund balance and activity into the Education fund.

**PART III: FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

None



## Muncie Community Schools

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June 29, 2022

The following represents Muncie Community Schools' Summary Schedule of Prior Audit Findings and Corrective Action Plan for the year ended June 30, 2021 as required by Uniform Guidance.

### Summary Schedule of Prior Audit Findings

Finding	Description of Prior Audit Finding	Status of Audit Finding
<b>2020-001</b>  <b>GAGAS Material Weakness</b>	<b>Financial Transactions and Reporting:</b> The School Corporation did not have adequate control procedures in place over financial reporting and closing to ensure that information included in the report was materially accurate.	<b>Partially Resolved:</b> Finding 2021-001 below was reported as a material weakness related to presentation of Rainy-Day Fund Balances in 2021.  However, there were no significant or material audit adjustments or financial reporting type errors repeating from prior years.
<b>2020-002</b>  <b>GAGAS Material Weakness</b>	<b>Preparation of the SEFA:</b> The School Corporation did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).	<b>Resolved:</b> There were no significant or material errors on the financial and nonfinancial information prepared for the SEFA for the fiscal year 2021 audit.
<b>2020-003</b>  <b>Federal Award Finding Material Weakness</b>	<p><b>Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Special Tests and Provisions - School Food Accounts:</b> The School Corporation entered into a cost-reimbursement contract, dated March 21, 2016, with a food service management company. Three invoices for payment to the food service management company, which totaled \$888,674, were selected for testing. Detailed supporting documentation could not be presented for audit. Additionally, the documentation presented could not be matched to the costs invoiced. Due to the lack of adequately detailed documentation that matched the costs invoiced, we were unable to determine if the costs paid were for activities allowed or even allowable expenditures, and, therefore, proper uses of program income for the federal programs.</p> <p><b>Special Tests and Provisions - School Food Accounts:</b> The disbursement claims were prepared and submitted by the management company's resident district manager; however, there were no procedures in place to ensure that the reimbursement receipt was promptly and properly receipted into the School Lunch fund.</p>	<p><b>Resolved:</b></p> <p><b>Activities Allowed or Unallowed, Allowable Costs/Cost Principles</b> Management implemented internal controls effective for all of fiscal year 2021, to obtain, review and maintain invoice detail, and to meet with the food service management company periodically to review the receipts and expenditures. Management was able to substantiate the internal control and compliance on samples selected for testing.</p> <p><b>Special Tests and Provisions - School Food Accounts:</b> Management implemented internal controls effective for all of fiscal year 2021, to obtain, review and approve claims to IDOE</p> <p>Management was able to substantiate the samples selected for claim/receipt audit internal control and compliance testing.</p>

Corrective Action Plan

Finding	Description of Prior Audit Finding	Corrective Action Plan
<p>2021-001</p> <p><b>GAGAS Material Weakness</b></p>	<p><b>Internal Control Over Financial Reporting</b> The Rainy-Day Fund has been historically presented as a special revenue fund, typically funded by internal transfers and not from external resources. Internal transfers are not defined as revenue of the School Corporation. GASB 54 supports the fund being reported as part of the General Fund, which is the Education Fund for the School Corporation</p>	<p>Management agreed with the finding and corrected the financial statement presentation of the Rainy Day Fund in the fiscal year 2021 financial statements, as well as posted a prior period adjustment to move the Rainy-Day Fund balance and activity into the Education fund.</p> <p>Management believes this a one-time change and no further action will be needed in the future.</p> <p>Completion Date: Effective for June 30, 2021 financial statements.</p>

Muncie Community Schools has concluded that the prior and current findings have been adequately resolved as of the filing of our June 30, 2021 audited financial statements and compliance reporting under Government Auditing Standards and Uniform Guidance.

Sincerely,



(signature)

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