



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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July 19, 2022

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

This report is supplemental to the audit report of Muncie Community Schools (School Corporation), for the period July 1, 2020 to June 30, 2021. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the School Corporation. It should be read in conjunction with the financial statement audit report of the School Corporation, which provides an opinion on the School Corporation's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the School Corporation and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Muncie Community Schools prepared by Crowe LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the finding in the report on page 3.

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
State Examiner

**COMPLIANCE EXAMINATION OF
MUNCIE COMMUNITY SCHOOLS
Delaware County, Indiana
July 1, 2020 to June 30, 2021**

MUNCIE COMMUNITY SCHOOLS

Delaware County, Indiana
July 1, 2020 to June 30, 2021

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MUNCIE COMMUNITY SCHOOLS
SCHEDULE OF OFFICIALS
July 1, 2020 to June 30, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Brad DeRome	07-01-20 to 06-30-21
Director of Public Education	Dr. Lee Ann Kwiatkowski	07-01-20 to 06-30-21
President of the School Board	James Williams	07-01-20 to 06-30-21

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Muncie Community Schools

We have examined the Muncie Community Schools ("School Corporation") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* during the period July 1, 2020 to June 30, 2021. Management of the School Corporation is responsible for the School Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the School Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the School Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the School Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

Our examination does not provide a legal determination on the School Corporation's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Indiana Public School Corporations* applicable to the School Corporation during the period July 1, 2020 to June 30, 2021, as described in item 2021-001 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the aforementioned requirements during the period July 1, 2020 to June 30, 2021.



Crowe LLP

Indianapolis, Indiana
June 29, 2022

MUNCIE COMMUNITY SCHOOLS
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
July 1, 2019 to June 30, 2021

FINDING 2021-001: AVERAGE DAILY MAINTENANCE (ADM) TESTING

Criteria: The Organizer is responsible for reporting ADM to the Indiana Department of Education (IDOE). The ADM Summary Report shall provide a written certification of ADM to properly document responsibility. The ADM Summary Report must be signed by the Superintendent/Principal/Director of Schools and the Trustee/Corporate Treasurer and be uploaded to IDOE for each reporting period in the fiscal year. Supporting documentation of enrollment and attendance/engagement information by grade and school must be maintained for audit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public Schools, Part 9).

Condition: The School adopted a student calendar for the 2020-2021 school year that included scheduled student holidays on both the Fall 2020 and Spring 2021 ADM count dates as established by the Indiana State Board of Education (SBOE). Indiana Department of Education (IDOE) instructions for reporting ADM for funding purposes state that "Students not enrolled and attending on Fall or Spring count dates are not reported on membership. Students may be counted for the Fall or Spring if they are enrolled and expected to be in attendance". By scheduling a school holiday on an official count date the school is not in compliance with the IDOE's count instructions which may disqualify them for funding for any students as the students did not meet the definition of "expected to be in attendance" on the count date because no student is expected to be in attendance on a scheduled school holiday. This resulted in alternative testing of students for proper attendance by observing attendance for a period of 10 days leading up to the Fall and Spring count dates. No issues were noted in the alternative performed over the sample of 34 students tested for the fall and 34 students tested for the spring.

Due to the attendance issues reported above, school officials need to contact the Indiana Department of Education, Division of School Finance, to review the issues identified and determine if any steps to need to be taken to correct any attendance reporting or funding issues.

MUNCIE COMMUNITY SCHOOLS
EXIT CONFERENCE
July 1, 2020 to June 30, 2021

The contents of this report were discussed on June 28, 2022 with Brad DeRome, CFO/Treasurer.