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March 22, 2023

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 Muncie Community Schools. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2021 to June 30, 2022. 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, 2022, 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.

We call your attention to the finding in the reports. The finding appears on pages 10 and 11 of the Single Audit Report, which is included after the Annual Financial Report. Please refer to the Schedule of Findings and Questioned Costs for further detail. Management's Corrective Action Plan appears on page 12 of the Single Audit Report.

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

In addition to the report presented herein, a Supplemental Report for Muncie Community Schools was prepared 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

June 30, 2022

# Muncie Community Schools, Indiana

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## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
Muncie Community Schools  
Delaware County, Indiana

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Muncie Community Schools (School Corporation), a component unit of Ball State University, Indiana, as of and for the year ended June 30, 2022, 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.

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, 2022, 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.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedule - Education Fund, Budgetary Comparison Schedule - Operations Fund, Budget to GAAP Reconciliation Education and Operation Funds, Schedule 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 Total OPEB Liability, Schedule of Total OPEB Liability, Schedule of Employer Contributions - OPEB, and the 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 is the responsibility of management and, 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.

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(Continued)

## **Supplementary 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 as a whole. The *Schedule of Officials, 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 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 Fund, Combining Balance Sheet Nonmajor Governmental Funds - Capital Project Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Capital Project Fund, 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 is not a required part of the basic financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited," 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 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 Fund, Combining Balance Sheet Nonmajor Governmental Funds - Capital Project Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Capital Project Fund, 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. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

## **Report on 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*.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
March 17, 2023

**SCHEDULE OF OFFICIALS (Unaudited)**

<b><u>Office</u></b>	<b><u>Official</u></b>	<b><u>Term</u></b>
Treasurer	Brad DeRome	07-01-19 to 06-20-23
Director of Public Education and Chief Executive Officer	Dr. Lee Ann Kwiatkowski	07-01-19 to 06-30-23
President of the School Board	James Williams	07-01-19 to 07-01-23

# Muncie Community Schools

Management's Discussion and Analysis

June 30, 2022

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, 2022. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

## Financial Highlights

- Total assets (\$114,270) and deferred outflows (\$6,082) of Muncie Community School exceeded its liabilities (\$47,517) and deferred inflows (\$8,934) by \$63,901 (reported as net position). Of this amount, (\$4,168) 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 \$43,447.
- At the end of the current fiscal year, the fund balance for the operations fund was \$409 which represented 2.92% of the total operations fund expenditures, excluding transfers out.
- Muncie Community Schools' total bond related debt during the current fiscal year is \$29,021.
- Muncie Community Schools' received \$1,263 in Education Stabilization Fund grants.

## 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 1-2 of this report.

# Muncie Community Schools

Management's Discussion and Analysis  
June 30, 2022

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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 92 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, Operations Fund and ESSER II Grant. Data for 88 Muncie Community Schools governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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 3-5 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 6-8 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 9-10 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 11-47 of this report.

Required supplementary information can be found on pages 48-61 of this report.

# Muncie Community Schools

Management's Discussion and Analysis

June 30, 2022

**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 nonmajor governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules found on pages 62-88 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 \$63,901 at the close of the most recent fiscal year.

The largest portion, \$30,411 (47.59%) of Muncie Community Schools' net position represents resources that are subject to external restrictions on how they may be used.

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	
	2022	2021
Current and other assets	56,000	\$ 42,853
Capital assets	<u>58,271</u>	<u>51,554</u>
Total assets	<u>114,270</u>	<u>94,407</u>
Deferred outflow of resources	<u>6,082</u>	<u>3,172</u>
Long-term liabilities outstanding	41,582	47,638
Other liabilities	<u>5,935</u>	<u>3,129</u>
Total liabilities	<u>47,517</u>	<u>50,767</u>
Deferred inflow of resources	<u>8,934</u>	<u>4,185</u>
Net investment in capital assets	29,321	19,519
Restricted	30,475	36,279
Unrestricted	<u>4,105</u>	<u>(13,171)</u>
Total net position	<u>\$ 63,901</u>	<u>\$ 42,627</u>

# Muncie Community Schools

Management's Discussion and Analysis

June 30, 2022

An additional portion of Muncie Community Schools' net position, \$29,321 (45.89%), 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, Restricted Net Position and Unrestricted Net Position.

## Governmental Activities

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

### Muncie Community Schools – Changes in Net Position

	Governmental Activities	
	Fiscal year Ended	
	June 30, 2022	June 30, 2021
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 1,270	\$ 688
Operating grants and contributions	18,859	17,139
General revenues:		
Taxes:		
Property	10,894	9,849
Other	-	1,340
State aid	42,234	40,170
Grants and contributions not restricted to a specific program	7,394	465
Contributions	-	9,598
Investment Income	112	-
Other	19,206	2,134
	<u>99,969</u>	<u>81,383</u>
Total revenues		
<b>Expenses:</b>		
Instruction	45,230	41,133
Support services	22,938	23,509
Community services	4,289	3,016
Facilities acquisition and construction	570	305
Interest on long-term debt	1,022	1,083
Nonprogrammed charges	4,645	3,663
	<u>78,695</u>	<u>72,709</u>
Total expenses		
Change in net position	21,274	8,674
<b>Net Position, Beginning</b>	<u>42,627</u>	<u>33,953</u>
<b>Net Position At June 30</b>	<u>\$ 63,901</u>	<u>\$ 42,627</u>

# Muncie Community Schools

Management's Discussion and Analysis  
June 30, 2022

Significant changes to revenues include the following:

Operating Grants and Contributions increased by \$1,720 from fiscal year June 30, 2021. This was mainly due to additional grant money received in FY 2022 that was not received in FY 2021.

Significant changes in expenditures include the following:

Community services increased by \$1,273 from fiscal year ending June 30, 2021.

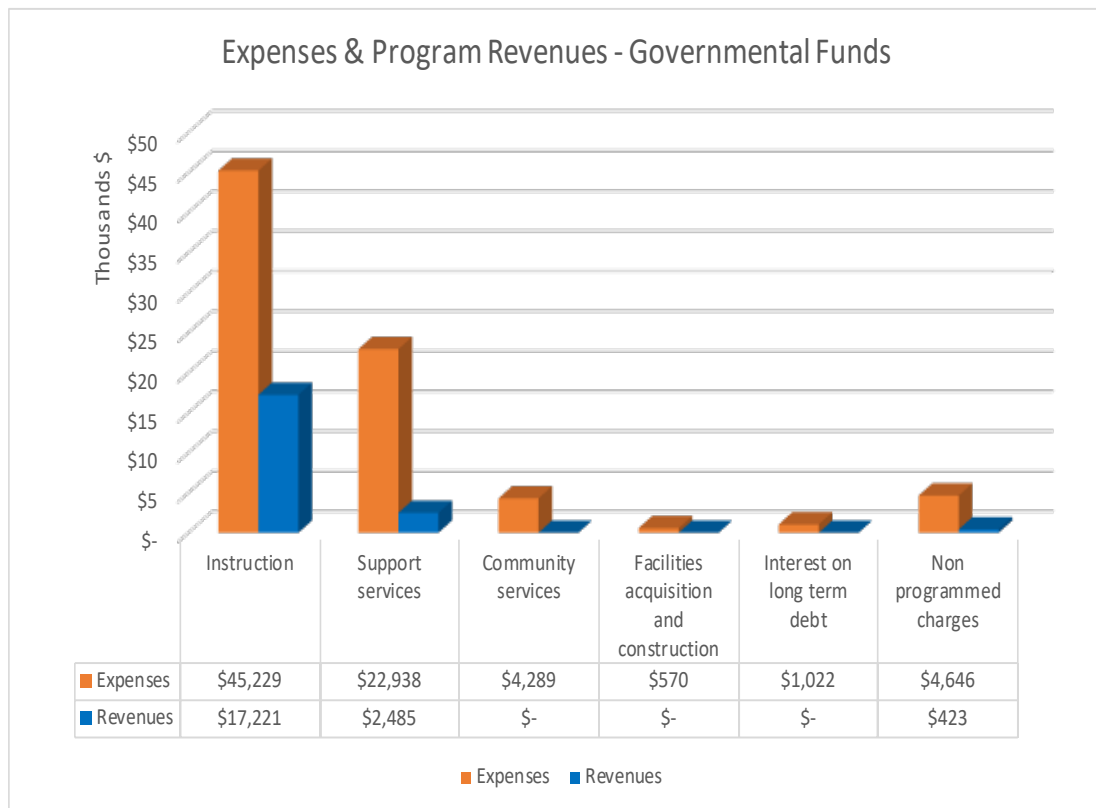
Instruction increased by \$4,096 from fiscal year ending June 30, 2021. This was mainly due to increases in pay for the staff and teachers.

Muncie Community Schools' overall cash and investments position, \$38,802 increased by \$5,948 from the fiscal year ended June 30, 2021. Muncie Community Schools' property tax rate for 2022 is \$1.2508 per \$100 of assessed value, an increase from \$1.1893 for 2021.

## 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.

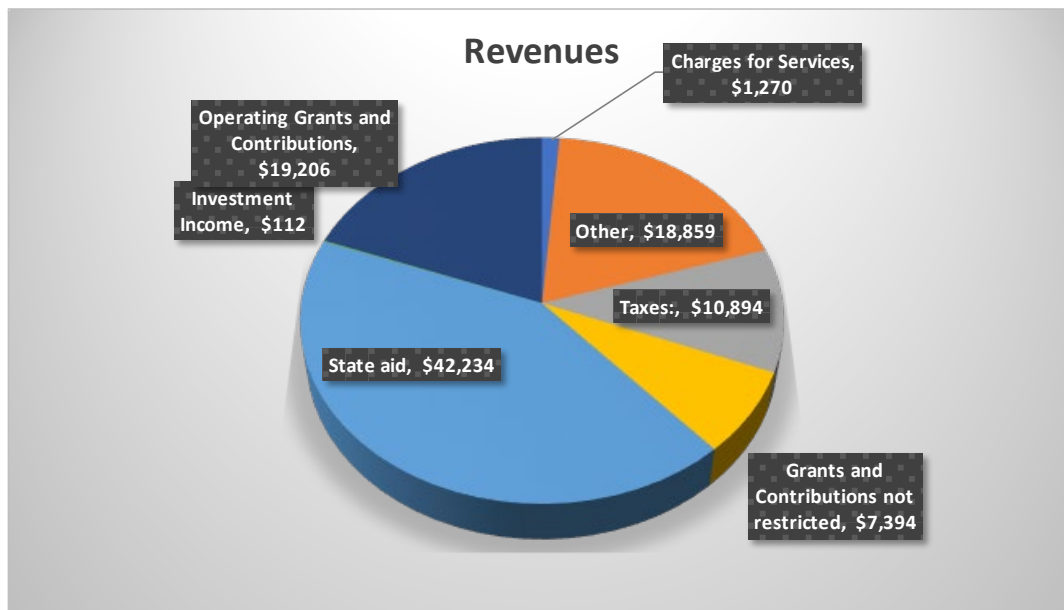
The following displays the Expenses and Program Revenues by function of Muncie Community Schools' governmental activities:



# Muncie Community Schools

Management's Discussion and Analysis  
June 30, 2022

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 \$43,447. 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**

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Management's Discussion and Analysis

June 30, 2022

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 \$43,447. The fund balance has restricted fund balance of \$29,428, committed fund balance of \$15,031 and unassigned fund balance of (\$1,012); see Note 3.

The operations fund is the chief operating fund of Muncie Community Schools. The fund balance of Muncie Community Schools' operations fund is \$409 during the current fiscal year. Key factors are as follows:

- Expenditures exceeded revenues by \$10,629, excluding other financing sources and uses.
- Major sources of revenue include property taxes, \$2,207; intergovernmental receipts, \$996 and transfers of \$10,361.
- Major expenditures include support services, \$13,491 and capital outlay, \$527.

The education fund is also a major fund for the current fiscal year. The fund balance for this major fund is \$31,211. The Rainy Day Fund is reported within this fund, which makes up \$11,982 of the fund balance and is being reported as committed. The expenditures include instruction of \$23,320 and support services of \$5,865. Major sources of revenues include state aid of \$42,234 and local sources of \$1,740.

The debt service fund is also a major fund in the current fiscal year. The fund balance for this major fund is \$1,948. The major sources of revenues include property taxes. The expenditures include debt service payments of \$753 and transfers to the building authority for debt service payments of \$8,024.

The following nonmajor funds saw significant balance variances during the year.

The 2014 GO Construction Bond fund had a decreased in fund balance of \$591 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

Management's Discussion and Analysis  
June 30, 2022

### Capital Asset and Debt Administration

**Capital assets** - Muncie Community Schools' investment in capital assets for its governmental activities as of June 30, 2022 amounts to \$55,366 (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 3).

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

- Construction in Progress increased by \$5,460, to reflect investments in several school facilities.

The following table displays Muncie Community Schools' capital assets.

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

Description	Governmental-Type Activities	
	2022	2021
Land	\$ 282	\$ 281
Construction in progress	8,365	-
Buildings	91,337	91,204
Improvements other than buildings	2,363	2,316
Machinery and equipment	3,513	3,312
Total capital assets	105,860	97,113
Accumulated depreciation	(47,589)	(45,558)
Net capital assets	<u>\$ 58,271</u>	<u>\$ 51,555</u>

**Long-term liabilities** - At the end of the current fiscal year, Muncie Community Schools had total long-term liabilities outstanding of \$37,387. Of this amount \$25,506 is comprised of bonds and \$10,320 of loans from the State.

# Muncie Community Schools

Statement of Net Position

June 30, 2022

	<u>Governmental Activities</u>
<b>Assets and Deferred Outflows of Resources</b>	
<b>Assets</b>	
Cash and investments	\$ 34,727,614
Receivables (net):	
Taxes receivable	4,734,261
Intergovernmental receivable	9,671,332
Accounts	305,144
Prepaid expenses	277,004
Restricted assets:	
Cash and investments	4,074,056
Net pension asset, TRF	2,210,512
Capital assets:	
Land and construction in progress	8,646,928
Other capital assets, net of depreciation	<u>49,623,586</u>
 Total assets	 <u>114,270,437</u>
<b>Deferred Outflows of Resources</b>	
Pension related amounts	<u>6,081,631</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Liabilities</b>	
Accounts payable	3,854,330
Accrued wages and payroll withholding payable	1,386,698
Interest payable	369,960
Compensated absences payable	125,599
Claims payable	198,126
Noncurrent liabilities:	
Due within one year:	
Bonds payable	3,515,000
Loans payable	680,000
Due in more than one year:	
Loans payable	10,320,000
Bonds payable (net of premiums)	25,505,959
Compensated absences	376,796
Total OPEB liability	24,329
Net pension liabilities, PERF	<u>1,160,317</u>
 Total liabilities	 <u>47,517,114</u>
<b>Deferred Inflows of Resources</b>	
Pension related amounts	<u>8,933,655</u>
 Total deferred inflows of resources	 <u>8,933,655</u>
<b>Net Position</b>	
Net investment in capital assets	29,320,813
Restricted for:	
Instruction	20,521,606
Support services	3,424,451
Building acquisition and construction	71,258
Other	543,444
Debt service	3,704,096
Pensions	2,210,512
Unrestricted (deficit)	<u>4,105,119</u>
 Total net position	 <u>\$ 63,901,299</u>

*See notes to financial statements*

# Muncie Community Schools

Statement of Activities

Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net</u>
		<u>Charges for Services</u>	<u>Grants and Contributions</u>	<u>(Expenses) Revenues and Changes in Net Position Governmental Activities</u>
Governmental activities:				
Instruction	\$ 45,229,208	\$ 810,012	\$ 16,410,580	\$ (28,008,616)
Support services	22,937,690	245,594	2,239,365	(20,452,731)
Community services	4,289,185	-	-	(4,289,185)
Facilities acquisition and construction	570,164	-	-	(570,164)
Interest on long term debt	1,022,402	-	-	(1,022,402)
Nonprogrammed charges	<u>4,645,512</u>	<u>213,912</u>	<u>208,961</u>	<u>(4,222,639)</u>
Total governmental activities	<u>\$ 78,694,161</u>	<u>\$ 1,269,518</u>	<u>\$ 18,858,906</u>	<u>(58,565,737)</u>
General revenues:				
Property taxes				10,894,282
State aid				42,234,330
Grants and contributions not restricted to specific programs				7,393,516
Investment income				111,878
Nonemployer entity contributions				14,395,764
Sale of property				11,495
Miscellaneous				<u>4,799,176</u>
Total general revenues				<u>79,840,441</u>
Change in net position				21,274,704
<b>Net Position, Beginning</b>				<u>42,626,595</u>
<b>Net Position, Ending</b>				<u>\$ 63,901,299</u>

See notes to financial statements

**Muncie Community Schools**

Balance Sheet  
Governmental Funds  
June 30, 2022

	Education Fund	Debt Service Fund	Operations Fund	ESSER II Grant	ESSER III	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>							
Cash and investments	\$ 25,386,458	\$ -	\$ 777,755	\$ -	\$ -	\$ 8,473,030	\$ 34,637,243
Receivables:							
Taxes	-	3,887,377	846,884	-	-	-	4,734,261
Intergovernmental	4,581,299	-	-	1,986,236	2,063,372	1,040,425	9,671,332
Accounts	4,462	-	1,565	-	-	299,117	305,144
Due from other funds	2,636,291	-	-	-	-	-	2,636,291
Restricted cash	-	1,947,892	-	-	-	2,126,164	4,074,056
<b>Total assets</b>	<b>\$ 32,608,510</b>	<b>\$ 5,835,269</b>	<b>\$ 1,626,204</b>	<b>\$ 1,986,236</b>	<b>\$ 2,063,372</b>	<b>\$ 11,938,736</b>	<b>\$ 56,058,327</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 408,251	\$ -	\$ 291,648	\$ 1,491,193	\$ 1,461,168	\$ 202,070	\$ 3,854,330
Accrued wages	988,998	-	78,321	6,591	27,182	285,606	1,386,698
Due to other funds	-	-	-	505,791	638,390	1,492,110	2,636,291
<b>Total liabilities</b>	<b>1,397,249</b>	<b>-</b>	<b>369,969</b>	<b>2,003,575</b>	<b>2,126,740</b>	<b>1,979,786</b>	<b>7,877,319</b>
<b>Deferred Inflows of Resources</b>							
Unavailable revenues	-	3,887,377	846,884	-	-	-	4,734,261
<b>Fund Balances</b>							
Restricted	19,228,895	1,947,892	409,351	-	-	7,841,723	29,427,861
Committed	11,982,366	-	-	-	-	3,048,164	15,030,530
Unassigned (deficit)	-	-	-	(17,339)	(63,368)	(930,937)	(1,011,644)
<b>Total fund balances</b>	<b>31,211,261</b>	<b>1,947,892</b>	<b>409,351</b>	<b>(17,339)</b>	<b>(63,368)</b>	<b>9,958,950</b>	<b>43,446,747</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 32,608,510</b>	<b>\$ 5,835,269</b>	<b>\$ 1,626,204</b>	<b>\$ 1,986,236</b>	<b>\$ 2,063,372</b>	<b>\$ 11,938,736</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 3.	58,270,514
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	(107,755)
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	4,734,261
Some assets, are not received in the current period, and therefore, are not reported in the fund financial statements.	
Prepaid expenses	277,004
Net pension asset	2,210,512
Deferred outflows of resources related to pensions do not relate to current financial resources are not reported in the governmental funds.	
Deferred outflows, pensions	6,081,631
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(8,933,655)
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	(369,960)
Compensated absences	(502,395)
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 3.	
Bonds payable	\$ (29,020,959)
Loans payable	(11,000,000)
Net pension liability	(1,160,317)
Total OPEB liability	(24,329)
<b>Net Position of Governmental Activities</b>	<b>\$ 63,901,299</b>

See notes to financial statements

## Muncie Community Schools

Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Governmental Funds  
 Year Ended June 30, 2022

	Education Fund	Debt Service Fund	Operations Fund	ESSER II Grant	ESSER III	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Property taxes	\$ -	\$ 8,063,639	\$ 2,206,807	\$ -	\$ -	\$ -	\$ 10,270,446
State aid	42,234,330	-	-	-	-	-	42,234,330
Charges for services	15,472	-	9,765	-	-	1,244,281	1,269,518
Intergovernmental	1,739,984	626,378	966,499	6,767,138	-	16,152,423	26,252,422
Miscellaneous:							
Interest	-	-	111,858	-	-	20	111,878
Other	25,274	2,375	112,804	-	2,821,922	1,836,800	4,799,175
<b>Total revenues</b>	<b>44,015,060</b>	<b>8,692,392</b>	<b>3,407,733</b>	<b>6,767,138</b>	<b>2,821,922</b>	<b>19,233,524</b>	<b>84,937,769</b>
<b>Expenditures</b>							
Current:							
Instruction	23,320,454	-	-	446,250	488,820	7,557,593	31,813,117
Support services	5,864,860	-	13,491,082	90,358	427,878	4,275,817	24,149,995
Community services	458,018	-	-	-	-	3,738,683	4,196,701
Facilities acquisition and construction	39,320	-	18,034	49,487	29,278	434,045	570,164
Nonprogrammed charges	-	-	-	-	-	2,294,232	2,294,232
Debt service:							
Principal paid on debt	600,000	525,000	-	-	-	3,200,000	4,325,000
Interest on debt	-	228,425	-	-	-	864,492	1,092,917
Capital outlay	121,749	-	527,336	6,194,405	1,939,314	-	8,782,804
<b>Total expenditures</b>	<b>30,404,401</b>	<b>753,425</b>	<b>14,036,452</b>	<b>6,780,500</b>	<b>2,885,290</b>	<b>22,364,862</b>	<b>77,224,930</b>
Excess (deficiency) of revenues over (under) expenditures	13,610,659	7,938,967	(10,628,719)	(13,362)	(63,368)	(3,131,338)	7,712,839
<b>Other Financing Sources (Uses)</b>							
Sale of property	-	-	11,495	-	-	-	11,495
Transfers in	-	-	10,360,640	-	-	4,308,868	14,669,508
Transfers out	(6,645,151)	(8,024,357)	-	-	-	-	(14,669,508)
<b>Total other financing sources (uses)</b>	<b>(6,645,151)</b>	<b>(8,024,357)</b>	<b>10,372,135</b>	<b>-</b>	<b>-</b>	<b>4,308,868</b>	<b>11,495</b>
Net change in fund balances	6,965,508	(85,390)	(256,584)	(13,362)	(63,368)	1,177,530	7,724,334
<b>Fund Balances, Beginning</b>	<b>24,245,753</b>	<b>2,033,282</b>	<b>665,935</b>	<b>(3,977)</b>	<b>-</b>	<b>8,781,420</b>	<b>35,722,413</b>
<b>Fund Balances, Ending</b>	<b>\$ 31,211,261</b>	<b>\$ 1,947,892</b>	<b>\$ 409,351</b>	<b>\$ (17,339)</b>	<b>\$ (63,368)</b>	<b>\$ 9,958,950</b>	<b>\$ 43,446,747</b>

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  
Year Ended June 30, 2022

**Net Change in Fund Balances, Total Governmental Funds** \$ 7,724,334

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	8,782,804
Depreciation	(2,067,172)

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

Unavailable revenues	623,836
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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	3,645,000
Amortization of bond premium	32,083
Principal paid on loans	680,000

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

Total OPEB Liability	21,410
Net Pension Liabilities	3,846,485

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	38,432
Change in prepaid expenses	15,558
Change in compensated absences	54,995
Change in deferred outflows	2,909,531

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	(4,748,485)
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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.

	<u>(284,107)</u>
--	------------------

**Change in Net Position of Governmental Activities** \$ 21,274,704

# Muncie Community Schools

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Statement of Net Position -

Proprietary Fund

June 30, 2022

	<b>Internal Service Fund</b>
<b>Assets</b>	
<b>Current Assets</b>	
Cash and investments	\$ 90,371
Total assets	<u>90,371</u>
<b>Liabilities and Net Position</b>	
<b>Current Liabilities</b>	
Claims payable	<u>198,126</u>
Total current liabilities	<u>198,126</u>
<b>Net Position</b>	
Unrestricted (deficit)	<u>(107,755)</u>
Total net position	<u>\$ (107,755)</u>

See notes to financial statements

## Muncie Community Schools

Statement of Revenues, Expenses and Changes in Net Position -

Proprietary Fund

Year Ended June 30, 2022

	<b>Internal Service Fund</b>
<b>Operating Revenues</b>	
Charges for services	\$ 1,109,930
Total operating revenues	<u>1,109,930</u>
<b>Operating Expenses</b>	
Health and dependent care costs	<u>1,394,037</u>
Operating loss	<u>(284,107)</u>
Change in net position	(284,107)
<b>Net Position, Beginning</b>	<u>176,352</u>
<b>Net Position (Deficit), Ending</b>	<u>\$ (107,755)</u>

See notes to financial statements

# Muncie Community Schools

Statement of Cash Flows -  
Proprietary Fund  
Year Ended June 30, 2022

	<u>Internal Service Fund</u>
<b>Cash Flows From Operating Activities</b>	
Received from customers	\$ 1,109,930
Payments for interfund services used	<u>(1,351,477)</u>
Net cash flows from operating activities	<u>(241,547)</u>
Net change in cash and cash equivalents	(241,547)
<b>Cash and Cash Equivalents, Beginning</b>	<u>331,918</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 90,371</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>	
Operating loss	\$ (284,107)
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>158,683</u>
Net cash flows from operating activities	<u>\$ (241,547)</u>
<b>Reconciliation of Cash and Cash Equivalents to Statement of Net Position</b>	
Cash and investments	<u>\$ 90,371</u>
Total cash and cash equivalents	<u>\$ 90,371</u>

See notes to financial statements

# Muncie Community Schools

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Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2022

	<u>Custodial Funds</u>
<b>Assets</b>	
Cash and investments	\$ 31,311
Intergovernmental receivable	<u>40,647</u>
Total assets	<u>71,958</u>
Total fiduciary net position restricted	<u>\$ 71,958</u>

See notes to financial statements

# Muncie Community Schools

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Year Ended June 30, 2022

	<b>Custodial Funds</b>
<b>Additions</b>	
Intergovernmental	\$ 237,575
Other	<u>1,684,627</u>
Total additions	<u>1,922,202</u>
<b>Deductions</b>	
Instruction	1,693,249
Paid to other governments	733,485
Other	<u>394,720</u>
Total deductions	<u>2,821,454</u>
Changes in net position	(899,252)
<b>Net Position, Beginning</b>	<u>971,210</u>
<b>Net Position, Ending</b>	<u>\$ 71,958</u>

See notes to financial statements

# Muncie Community Schools

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# Muncie Community Schools

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Notes to Financial Statements  
June 30, 2022

## 1. Summary of Significant Accounting Policies

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).

### 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, 2022

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## 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

## 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 \$3,578,543 for the year ended June 30, 2022. 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. Other members' activity is included as custodial funds activity. Complete financial statements for the Delaware/Blackford Special Education Cooperative can be obtained from the School Corporation.

## Government-Wide and Fund Financial Statements

In June of 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the School Corporation's leasing activities. This standard was implemented June 30, 2022. There are no adjustments made due to immaterial lease activity.

## 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, 2022

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## 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

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

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

### Debt Service Fund

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

### ESSER II Grant

ESSER II Grant fund is a special revenue fund that accounts for funds received and disbursed related to the ESSER II grant.

### ESSER III Grant

ESSER III Grant fund is a special revenue fund that accounts for funds received and disbursed related to the ESSER III grant.

# Muncie Community Schools

Notes to Financial Statements

June 30, 2022

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The School Corporation reports the following nonmajor governmental fund types:

## **Special Revenue Funds**

Special Revenue Funds are 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).

## **Debt Service Funds**

Debt Service Funds are 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**

Capital Projects Funds are 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**

Internal Service Funds are 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. The School Corporation maintains an internal service for health insurance purposes.

## **Custodial Funds**

Custodial Funds are 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. Current custodial funds include prepaid lunch and the special education preschool cooperative.

## **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, 2022

## Measurement Focus, Basis of Accounting and Financial Statement Presentation

### 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.

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.

## Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

### 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.

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

See Note 3. for further information.

## 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.

## Inventories

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

## 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, 2022 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.

# Muncie Community Schools

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Notes to Financial Statements  
June 30, 2022

## 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.

## 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 June 30, 2018 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, 2022, are determined on the basis of current salary rates and include salary related payments.

## 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.

## 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, 2022

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## 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.
- 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.

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

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- 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.

## 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.

## 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.

## 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 \$3,578,543 for the year ended June 30, 2022. 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.

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

## 2. Stewardship, Compliance and Accountability

### Deficit Balances

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

As of June 30, 2022, the following individual funds held a deficit fund balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Central ROTC Services Fund	\$ 2,009	Reimbursable grants
2016/17 McKinney-Vento Education	5,017	Reimbursable grants
Digital Learning Building	19,200	Reimbursable grants
GFB Learning Grant	5,996	Reimbursable grants
ESSER II Grant	17,339	Reimbursable grants
Adult Basic Education Grants	97,730	Reimbursable grants
Cares Act Grants	40,347	Reimbursable grants
George and Frances Ball	31,126	Reimbursable grants
Perkins Grants	98,500	Reimbursable grants
Secured School Grants	85,556	Reimbursable grants
Special Education	335,981	Reimbursable grants
Title I Grants	141,846	Reimbursable grants
Title II Grants	50,352	Reimbursable grants
Title III Grants	200	Reimbursable grants
Title IV Grants	5,374	Reimbursable grants
Family Navigator Grant.	2,110	Reimbursable grants
Student Learning Recovery	3,592	Reimbursable grants
Digital Learning Grant	6,001	Reimbursable grants
ESSER III	63,368	Reimbursable grants

## 3. Detailed Notes on All Funds

### Deposits and Investments

The School Corporation's deposits and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Checking accounts	<u>\$ 38,832,981</u>	<u>\$ 39,510,524</u>	Custodial Risk
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 34,727,614		
Restricted cash and investments	4,074,056		
Per Statement of Fiduciary Net Position, Fiduciary Funds:			
Custodial funds	<u>31,311</u>		
Total deposits and investments	<u>\$ 38,832,981</u>		

# Muncie Community Schools

Notes to Financial Statements

June 30, 2022

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 1 for further information on deposit and investment policies.

## Receivables

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

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	\$ <u>4,734,261</u>
Total unavailable revenue for governmental funds	\$ <u><u>4,734,261</u></u>

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

## Capital Assets

Capital asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 281,665	\$ -	\$ -	\$ 281,665
Construction in progress	<u>-</u>	<u>8,365,263</u>	<u>-</u>	<u>8,365,263</u>
Total capital assets not being depreciated	<u>281,665</u>	<u>8,365,263</u>	<u>-</u>	<u>8,646,928</u>
Capital assets being depreciated				
Buildings	91,204,126	132,449	-	91,336,575
Improvements other than buildings	2,316,033	47,070	-	2,363,103
Machinery and equipment	<u>3,311,725</u>	<u>238,022</u>	<u>36,615</u>	<u>3,513,132</u>
Total capital assets being depreciated	<u>96,831,884</u>	<u>417,541</u>	<u>36,615</u>	<u>97,212,810</u>
Total capital assets	<u>97,113,549</u>	<u>8,782,804</u>	<u>36,615</u>	<u>105,859,738</u>
Less accumulated depreciation for:				
Buildings	(41,344,840)	(1,814,146)	-	(43,158,986)
Improvements other than buildings	(1,610,902)	(82,051)	-	(1,692,953)
Machinery and equipment	<u>(2,602,924)</u>	<u>(170,976)</u>	<u>(36,615)</u>	<u>(2,737,285)</u>
Total accumulated depreciation	<u>(45,558,666)</u>	<u>(2,067,173)</u>	<u>(36,615)</u>	<u>(47,589,224)</u>
Net capital assets being depreciated	<u>51,273,218</u>	<u>(1,649,632)</u>	<u>-</u>	<u>49,623,586</u>
Total governmental activities capital assets, net of accumulated depreciation	<u>\$ 51,554,883</u>	<u>\$ 6,715,631</u>	<u>\$ -</u>	<u>\$ 58,270,514</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
Nonprogrammed charges	<u>\$ 2,067,173</u>
Total governmental activities depreciation expense	<u>\$ 2,067,173</u>

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

## Interfund Receivables/Payables 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	\$ 1,492,110
Education Fund	ESSER II Grant	505,791
Education Fund	ESSER III Grant	<u>638,390</u>
Total, fund financial statements		2,636,291
Less government-wide eliminations		<u>(2,636,291)</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	\$ 6,427,000	For support of operations fund
Other Governmental Funds	Education Fund	218,151	Reimbursement from Title I for summer school transportation
Operations Fund	Debt Service Fund	3,933,640	Debt service payments
Other Governmental Funds	Debt Service Fund	<u>4,090,717</u>	Building Corporation transfers and transfer of unreimbursed textbook rental
Total, fund financial statements		14,669,508	
Less fund eliminations		<u>(14,669,508)</u>	
Total transfers, government-wide statement of activities		<u><u>\$ -</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, 2022

## Long-Term Obligations

Long-term obligations activity for the year ended June 30, 2022, 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	\$ 32,635,000	\$ -	\$ 3,645,000	\$ 28,990,000	\$ 3,515,000
Loan payable	11,680,000	-	680,000	11,000,000	680,000
(Discounts)/Premiums	<u>63,042</u>	<u>-</u>	<u>32,083</u>	<u>30,959</u>	<u>-</u>
Subtotal	<u>44,378,042</u>	<u>-</u>	<u>4,357,083</u>	<u>40,020,959</u>	<u>4,195,000</u>
Other liabilities:					
Compensated absences	557,390	84,352	139,347	502,395	125,599
Total OPEB liability	45,739	12,927	34,337	24,329	-
Net pension liabilities	<u>2,796,290</u>	<u>1,125,246</u>	<u>2,761,219</u>	<u>1,160,317</u>	<u>-</u>
Total other liabilities	<u>3,399,419</u>	<u>1,222,525</u>	<u>2,934,903</u>	<u>1,687,041</u>	<u>125,599</u>
Total governmental activities long-term liabilities	<u>\$ 47,777,461</u>	<u>\$ 1,222,525</u>	<u>\$ 7,291,986</u>	<u>\$ 41,708,000</u>	<u>\$ 4,320,599</u>

## 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, 2022
2014 General Obligation Bonds	05/28/2014	01/15/2024	1% to 3%	\$ 10,000,000	\$ 7,220,000
First Mortgage Refunding Bonds, Series 2015B	07/16/2015	01/15/2023	2.60	11,130,000	3,285,000
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	<u>15,385,000</u>
Total governmental activities, general obligation debt					<u>\$ 28,990,000</u>

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Governmental Activities General Obligation Debt</b>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 3,515,000	\$ 889,073
2024	6,990,000	874,353
2025	1,750,000	699,730
2026	1,820,000	631,494
2027	1,895,000	560,284
2028-2032	10,640,000	1,629,470
2033-2037	<u>2,380,000</u>	<u>69,554</u>
Total	<u>\$ 28,990,000</u>	<u>\$ 5,353,958</u>

## Loans Payable

Loans Payable at June 30, 2022 consists of the following:

### Governmental Activities

<u>Loans Payable</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance June 30, 2022</u>
Common School Loan	11/20/2018	06/01/2028	0.00%	\$ 12,000,000	\$ 10,800,000
Common School Loan B0158	11/26/2019	12/01/2024	1.00	400,000	<u>200,000</u>
Total governmental activities loans payable					<u>\$ 11,000,000</u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Governmental Activities Loans Payable</b>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 680,000	\$ 1,800
2024	1,280,000	1,000
2025	2,200,000	200
2026	2,220,000	-
2027	2,280,000	-
2028-2032	<u>2,340,000</u>	<u>-</u>
Total	<u>\$ 11,000,000</u>	<u>\$ 3,000</u>

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

## Net Position/Fund Balances

Net position reported on the government wide statement of net position at June 30, 2022, includes the following:

### Governmental Activities

Net Investment in Capital Assets:

Land and construction in progress	\$ 8,646,928
Other capital assets, net of accumulated depreciation	49,623,586
Less general obligation debt outstanding	(29,020,959)
Plus unspent bond proceeds	<u>71,258</u>

Total net investment in capital assets \$ 29,320,813

### Governmental Funds

Governmental fund balances reported on the fund financial statements at June 30, 2022, include the following:

	<u>Education Fund</u>	<u>Debt Service Fund</u>	<u>Operations Fund</u>	<u>ESSER II Grant</u>	<u>ESSER III</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund Balances</b>							
<b>Restricted for:</b>							
Instruction	\$ 19,228,895	\$ -	\$ 409,351	\$ -	\$ -	\$ 1,636,059	\$ 21,274,305
Support Services	-	-	-	-	-	3,464,798	3,464,798
Debt Service Building	-	1,947,892	-	-	-	2,126,164	4,074,056
Acquisition	-	-	-	-	-	71,258	71,258
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>543,444</u>	<u>543,444</u>
Subtotal	<u>19,228,895</u>	<u>1,947,892</u>	<u>409,351</u>	<u>-</u>	<u>-</u>	<u>7,841,723</u>	<u>29,427,861</u>
<b>Committed to:</b>							
Instruction	-	-	-	-	-	1,653	1,653
Support Services	-	-	-	-	-	3,040,347	3,040,347
Community Services	-	-	-	-	-	5,496	5,496
Building Acquisition	-	-	-	-	-	668	668
Other	<u>11,982,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,982,366</u>
Subtotal	<u>11,982,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,048,164</u>	<u>15,030,530</u>
<b>Unassigned:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,339)</u>	<u>(63,368)</u>	<u>(930,937)</u>	<u>(1,011,644)</u>
Total fund balances	<u><u>\$ 31,211,261</u></u>	<u><u>\$ 1,947,892</u></u>	<u><u>\$ 409,351</u></u>	<u><u>\$ (17,339)</u></u>	<u><u>\$ (63,368)</u></u>	<u><u>\$ 9,958,950</u></u>	<u><u>\$ 43,446,747</u></u>

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

## 4. Other Information

### Employees' Retirement System

The School Corporation participates in the Public Employees' Retirement Fund (PERF) and Teacher's Retirement Fund (TRF). The information for these funds are summarized below:

	<u>Net Pension Liability(Asset)</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
PERF	\$ 1,160,317	\$ 1,463,118	\$ 1,824,287
TRF	<u>(2,210,512)</u>	<u>4,618,513</u>	<u>7,109,368</u>
Total	<u>\$ (1,050,195)</u>	<u>\$ 6,081,631</u>	<u>\$ 8,933,655</u>

### 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% 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 2021 is 11.20% of annual covered payroll. The rate for 2022 is also 11.20%. 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 \$536,559 for the fiscal year ended June 30, 2021 measurement date.

## 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% of the pension benefit component. This annual pension benefit is equal to 1.1% 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% 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% 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%. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

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

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Notes to Financial Statements  
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## **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)% 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% 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, 2021, 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 25.46%.

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

## Net Pension Liability

At June 30, 2022 the School Corporation reported a liability of \$1,160,317, for its proportionate share of the net pension liability, based on the June 30, 2021 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 nonemployer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At the June 30, 2021 measurement date, the School Corporation's proportion was 0.08818% an increase of 0.00752% from the 0.08066% at June 30, 2020. The net pension liability as of June 30, 2022 is calculated, using the measurement date of June 30, 2021, as set forth in the following table:

	<b>PERF Plan Total</b>
Net pension liability, beginning	\$ 2,436,250
Differences between projected and actual experience	6,065
Net difference between projected and actual investment	(1,715,064)
Change of assumptions	830,630
Changes in proportion and differences between employer contributions and proportionate share of contributions	288,551
Pension expense	(149,556)
Contributions	<u>(536,559)</u>
Net pension liability, ending	<u>\$ 1,160,317</u>

## Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2022, the School Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions, based on the measurement date of June 30, 2021, from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 39,686	\$ 23,168
Changes in assumptions	583,646	260,629
Net differences between projected and actual earnings on pension plan investments	-	1,506,562
Changes in proportion and differences between employer contributions and proportionate share of contributions	221,880	33,928
Employer contributions subsequent to the measurement date	<u>617,906</u>	<u>-</u>
Total	<u>\$ 1,463,118</u>	<u>\$ 1,824,287</u>

## Muncie Community Schools

Notes to Financial Statements  
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\$617,906 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, 2023, with a measurement date of 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:

<b>Measurement Date Years Ending June 30,</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
2022	\$ (259,413)
2023	(182,004)
2024	(107,009)
2025	(430,649)

### Pension Expense

The School Corporation recognized pension expense, for the measurement date of June 30, 2021, for the following proportionate share of pension expense:

<b>Pension Expense</b>	
Proportionate share of plan pension expense	\$ (100,179)
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(49,377)</u>
Total	<u>\$ (149,556)</u>

# Muncie Community Schools

Notes to Financial Statements  
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## 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, 2021
Liabilities	June 30, 2020 - Member census data as of June 30, 2020 was used in the valuation and adjusted, where appropriate, to reflect changes between June 30, 2020 and June 30, 2021. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2020 to the June 30, 2021 measurement date.
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	6.25%, net of investment expense, including inflation
Cost of Living Increases	Beginning January 1, 2024 - 0.40% Beginning January 1, 2034 - 0.50% Beginning January 1, 2039 - 0.60%
Salary increases, including inflation	2.65% - 8.65%
Inflation	2.00%
Mortality:	
Healthy	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.
Disabled	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019.
Funding policy location	<a href="http://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf">www.in.gov/inprs/files/INPRS_Funding_Policy.pdf</a>

## Change in Assumptions

- The Interest Rate / Investment Return assumption changed from 6.75% to 6.25%.
- The inflation assumption changed from 2.25% to 2.00%.
- The Future Salary Scale assumption changed from 2.75% - 8.75% to 2.65% - 8.65%.

## Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

# Muncie Community Schools

Notes to Financial Statements  
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## Plan Amendments

HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

## Long-Term Return Expectation

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.

<b>Global Asset Class</b>	<b>Long-Term Expected Rate of Return (Geometric Basis)</b>	<b>Target Asset Allocation</b>
Public Equity	3.6%	20.0%
Private Markets	7.3	15.0
Fixed Income, Ex Inflation-Linked	1.5	20.0
Fixed Income, Inflation-Linked	(0.3)	15.0
Commodities	0.8	10.0
Real Estate	4.2	10.0
Absolute Return	2.5	5.0
Risk Parity	4.4	20.0
Leverage Offset	(1.4)	(15.0)

## Discount Rate

The discount rate used to measure the total pension liability was 6.25% as of June 30, 2021 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, 2021 measurement date, the following presents the School Corporation's proportionate share of the net pension liability calculated using the discount rate of 6.25%, 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 (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<b>1% Decrease to Discount Rate (5.25%)</b>	<b>Current Discount Rate (6.25%)</b>	<b>1% Increase to Discount Rate (7.25%)</b>
School Corporation's proportionate share of the net pension liability (asset)	\$3,034,731	\$1,160,317	\$(403,197)

## Pension Plan Fiduciary Net Position

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

[https://www.in.gov/inprs/files/2021ActuarialReport\\_PERF.pdf](https://www.in.gov/inprs/files/2021ActuarialReport_PERF.pdf)  
[https://www.in.gov/inprs/files/INPRSConsolidatedAR\\_FY21.pdf](https://www.in.gov/inprs/files/INPRSConsolidatedAR_FY21.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% of the pension benefit component. This annual pension benefit is equal to 1.1% 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

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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% 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% 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%. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

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 2021, which is being utilized as the measurement date, was 7.50% 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.

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 \$894,797 for the year ended June 30, 2021, which is the measurement date.

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

## 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, 2022, the School reported an asset of \$2,210,512 for its proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2021 and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of that date. The School's proportion of the net pension asset 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, 2021, the School's proportion was 0.47053% an increase of 0.00859% from the .46194% as of the 2020 measurement date. The net pension (asset) liability as of June 30, 2022 is calculated as set forth in the following table:

	<u>TRF Plan Total</u>
Net pension asset, beginning	\$ 360,040
Differences between projected and actual experience	471,239
Net difference between projected and actual investment	(4,502,088)
Change of assumptions	2,336,016
Changes in proportion and differences between employer contributions and proportionate share of contributions	111,574
Pension Expense	(92,496)
Contributions	<u>(894,797)</u>
Net pension liability (asset), ending	<u>\$ (2,210,512)</u>

## Pension Expense

For the measurement date, year ended June 30, 2021, the School recognized pension expense of \$(92,496) for the TRF Fund. A breakdown of the pension expense is shown below:

<u>Pension Expense</u>	
Proportionate share of plan pension expense	\$ 57,361
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(149,857)</u>
Total	<u>\$ (92,496)</u>

# Muncie Community Schools

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## Deferred Outflows and Resources and Deferred Inflows of Resources

At June 30, 2022, the School reported deferred inflows of resources and deferred outflows of resources related to pensions, based on the June 30, 2021 measurement date, from the following services:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 634,101	\$ 726,154
Changes in assumptions	2,902,097	1,224,527
Net differences between projected and actual earnings on pension plan investments	-	3,928,743
Changes in proportion and differences between employer contributions and proportionate share of contributions	59,738	1,229,944
Employer contributions subsequent to the measurement date	<u>1,022,577</u>	<u>-</u>
Total	<u>\$ 4,618,513</u>	<u>\$ 7,109,368</u>

\$1,022,577 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Measurement Date Years Ending:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</u>
2022	\$ (1,026,771)
2023	(909,474)
2024	(877,178)
2025	(1,118,805)
Thereafter	418,796

# Muncie Community Schools

Notes to Financial Statements  
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## Actuarial Assumptions

Inflation:	2.00%
Salary increases, including inflation:	2.65% - 11.90%, based on years of service
Cost of Living Increases:	2020-2021 - 13th check Beginning January 1, 2024 - 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, 2021 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, 2021 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

## Changes in Assumption

- The Interest Rate / Investment Return assumption changed from 6.75% to 6.25%.
- The inflation assumption changed from 2.25% to 2.00%.
- The Future Salary Scale assumption changed from 2.75% - 12.00% to 2.65% - 11.90%.

## Changes in Actuarial Methods

- There were no changes to the actuarial methods during the fiscal year.

## Changes in Plan Provisions

- HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

## Long Term Return Expectation

For the measurement date of June 30, 2021, 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.

# Muncie Community Schools

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<b>Global Asset Class</b>	<b>Long-Term Expected Rate of Return (Geometric Basis)</b>	<b>Target Asset Allocation</b>
Public Equity	3.6%	20.0%
Private Markets	7.3	15.0
Fixed Income, Ex Inflation-Linked	1.5	20.0
Fixed Income, Inflation-Linked	(0.3)	15.0
Commodities	0.8	10.0
Real Estate	4.2	10.0
Absolute Return	2.5	5.0
Risk Parity	4.4	20.0
Leverage Offset	(1.4)	(15.0)

## Discount rate

The discount rate used to measure the total pension liability was 6.25% as of the measurement date of June 30, 2021 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, 2021 measurement date, the following presents the School's proportional share of the net pension liability calculated using the discount rate of 6.25%, 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 (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<b>1% Decrease to Discount Rate (5.25%)</b>	<b>Current Discount Rate (6.25%)</b>	<b>1% Increase to Discount Rate (7.25%)</b>
School Corporation's proportionate share of the net pension (asset) liability	\$4,088,251	\$(2,210,512)	\$(7,290,524)

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)

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

## 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 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 \$83,431,147, as of the June 30, 2021 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% of the pension benefit component. This annual pension benefit is equal to 1.1% 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% 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% 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%. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84%) to age 50 being 44%.

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

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Notes to Financial Statements  
June 30, 2022

### **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, 2022, the net pension liability is assumed by the State of Indiana and the School does not report any liability for the pension liability.

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

For the measurement date, year ended June 30, 2021, the School recognized pension expense of \$10,191,025 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, 2022, the School recognized \$14,395,764 of Nonemployer Contributing Entity Contributions, as revenue on the financial statements.

Inflation:	2.00%
Salary increases, including inflation:	2.65% - 11.90%, based on years of service
Cost of Living Increases:	2020-2021 - 13th check
	Beginning January 1, 2024 - 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, 2021 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, 2021 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

## Changes in Assumption

- The Interest Rate / Investment Return assumption changed from 6.75% to 6.25%.
- The inflation assumption changed from 2.25% to 2.00%.
- The Future Salary Scale assumption changed from 2.75% - 12.00% to 2.65% - 11.90%.

## Changes in Actuarial Methods

There were no changes to the actuarial methods during the fiscal year.

## Changes in Plan Provisions

HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

## Discount Rate

The discount rate used to measure the total pension liability was 6.25%, based on the June 30, 2021 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.

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

## Risk Management

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

	<u>Prior Year</u>	<u>Current Year</u>
Unpaid claims, beginning	\$ 197,333	\$ 39,443
Current year claims and changes in estimates	4,744,022	4,698,517
Claim payments	<u>(4,901,912)</u>	<u>(4,539,834)</u>
Unpaid claims, ending	<u>\$ 39,443</u>	<u>\$ 198,126</u>

## 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.

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.

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

## 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 unit 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, 2022, the following employees were covered by the benefit terms:

Retiree participants	<u>5</u>
Total participants	<u><u>5</u></u>

#### Total OPEB Liability

The School Corporation's total OPEB liability of \$24,329 was measured as of June 30, 2022 and was determined by an actuarial valuation as of that date.

#### Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2022 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, 2022
Actuarial Valuation Date	June 30, 2022; Liabilities as of July 1, 2021 are based on an actuarial valuation date of July 1, 2020 with results projected to July 1, 2021
Discount Rate	2.19% as of July 1, 2021 and 4.09% as of June 30, 2022
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%

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

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-2021

Teacher retirees: SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2021

Surviving Spouses: SOA Pub-2010 Headcount Weighted Mortality Table fully generational using Scale MP-2021

No experience study was conducted for the actuarial valuation.

## Changes in the Total OPEB Liability

	<b>Total OPEB Liability</b>
Balances at June 30, 2021	\$ 45,739
Changes for the year:	
Interest	630
Differences between expected and actual experience	12,297
Changes in assumptions or other inputs	(225)
Benefit payments	<u>(34,112)</u>
Net changes	<u>(21,410)</u>
Balances at June 30, 2022	<u>\$ 24,329</u>

## 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 (3.09%) or 1-percentage-point higher (5.09%) than the current discount rate:

	<b>1% Decrease (3.09%)</b>	<b>Discount Rate (4.09%)</b>	<b>1% Increase (5.09%)</b>
Total OPEB liability	\$ 24,447	\$ 24,329	\$ 24,213

# Muncie Community Schools

Notes to Financial Statements  
June 30, 2022

## 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% decreasing to 3.5%) or 1-percentage-point higher (8.5% decreasing to 5.5%) 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	\$ 24,329	\$ 24,329	\$ 24,329

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

For the year ended June 30, 2022, the School Corporation recognized OPEB expense of \$12,702. At June 30, 2022, the School Corporation did not report any deferred outflows or inflows of resources related to OPEB.

## Effect of New Accounting Standards on Current-Period Financial Statements

- 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*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections*
- Statement No. 101, *Compensated Absences*

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

**REQUIRED SUPPLEMENTARY INFORMATION**

## Muncie Community Schools

Required Supplementary Information

Budgetary Comparison Schedule (Non-GAAP Basis)

Operations Fund

Year Ended December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes				
Property	\$ 2,187,951	\$ 2,187,951	\$ 2,654,655	\$ 466,704
Intergovernmental	624,000	853,181	892,718	39,537
Interest	47,734	47,734	62,321	14,587
Miscellaneous	164,118	164,118	203,663	39,545
	<u>3,023,803</u>	<u>3,252,984</u>	<u>3,813,357</u>	<u>560,373</u>
<b>Expenditures</b>				
General government:				
Personal services	545,400	545,400	611,525	(66,125)
Supplies	23,548	23,548	12,916	10,632
Other services and charges	70,000	70,000	52,554	17,446
Capital outlays	-	-	-	-
Personal services	1,031,100	1,031,100	933,197	97,903
Supplies	21,000	21,000	94,478	(73,478)
Other services and charges	21,000	21,000	121,301	(100,301)
Maintenance of building				
Personal services	34,000	34,000	98,200	(64,200)
Supplies	175,000	175,000	2,536	172,464
Other services and charges	5,969,000	5,969,000	5,905,314	63,686
Capital outlays	793,218	793,218	1,492,269	(699,051)
Maintenance of equipment				
Supplies	40,000	40,000	42,569	(2,569)
Capital outlays	463,083	463,083	207,490	255,593
Security services				
Personal services	481,500	481,500	336,944	144,556
Supplies	985	985	21,570	(20,585)
Other services and charges	403,000	403,000	357,377	45,623
Student transportation				
Personal services	30,000	30,000	6,078	23,922
Supplies	100,000	100,000	108,750	(8,750)
Other services and charges	2,793,102	2,793,102	2,612,539	180,563
Capital outlays	75,000	75,000	10,290	64,710
Building acquisition, construction and improvement				
Capital outlays	5,000	5,000	28,781	(23,781)
Purchase of mobile or fixed equipment				
Capital outlays	21,000	21,000	-	21,000
	<u>13,095,936</u>	<u>13,095,936</u>	<u>13,056,678</u>	<u>39,258</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,072,133)</u>	<u>(9,842,952)</u>	<u>(9,243,321)</u>	<u>599,631</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>8,824,310</u>	<u>8,831,000</u>	<u>9,490,401</u>	<u>659,401</u>
Total other financing sources (uses)	<u>8,824,310</u>	<u>8,831,000</u>	<u>9,490,401</u>	<u>659,401</u>
Net changes in fund balances	<u>(1,247,823)</u>	<u>(1,011,952)</u>	<u>247,080</u>	<u>1,259,032</u>
<b>Fund Balance, Beginning</b>	<u>1,596,443</u>	<u>1,596,443</u>	<u>1,596,443</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 348,620</u>	<u>\$ 584,491</u>	<u>\$ 1,843,523</u>	<u>\$ 1,259,032</u>

See notes to required supplementary information

## Muncie Community Schools

Required Supplementary Information  
 Budgetary Comparison Schedule (Non-GAAP Basis)  
 Education Fund  
 Year Ended December 31, 2021

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 39,533,000	\$ 39,533,000	\$ 42,447,569	\$ 2,914,569
Transfers in	-	-	21,634	21,634
Miscellaneous	1,827,000	1,827,000	156,610	(1,670,390)
Total revenues	41,360,000	41,360,000	42,625,813	1,265,813
<b>Expenditures</b>				
General government:				
Regular programs				
Personal services	19,812,367	19,812,367	17,794,220	2,018,147
Supplies	539,833	539,833	216,041	323,792
Other services and charges	-	-	7,957	(7,957)
Special programs				
Personal services	3,721,000	3,721,000	3,601,265	119,735
Supplies	29,000	29,000	2,793	26,207
Other services and charges	571,000	571,000	387,507	183,493
Summer school programs				
Personal services	56,000	56,000	72,101	(16,101)
Remediation programs				
Personal services	135,000	135,000	75,429	59,571
Other services and charges	-	-	1,112	(1,112)
Payments to other governmental units within the state				
Personal services	5,000	5,000	2,073	2,927
Other services and charges	41,000	41,000	95,664	(54,664)
Support services - students				
Personal services	1,622,000	1,622,000	1,476,175	145,825
Supplies	1,124	1,124	178	946
Other services and charges	473,205	473,205	472,888	317
Support services - instruction				
Personal services	1,229,000	1,229,000	967,339	261,661
Supplies	819,679	819,679	883,689	(64,010)
Other services and charges	124,000	124,000	67,109	56,891
Capital outlays	379,000	379,000	750	378,250
Support services - general administration				
Personal services	2,190,000	2,190,000	1,914,330	275,670
Other services and charges	-	-	28,515	(28,515)
Community service operations				
Personal services	344,000	344,000	376,067	(32,067)
Expenditures: (cont.)				
Emergency Loans				
Principal on debt	600,000	600,000	600,000	-
Total expenditures	32,692,208	32,692,208	29,043,202	3,649,006
Excess (deficiency) of revenues over (under) expenditures	8,667,792	8,667,792	13,582,611	4,914,819
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	-	(9,129,151)	9,129,151
Total Other Financing Sources (Uses)	-	-	(9,129,151)	9,129,151
Net changes in fund balances	8,667,792	8,667,792	4,453,460	(4,214,332)
<b>Fund Balance, Beginning</b>	22,763,043	22,763,043	22,763,043	-
<b>Fund Balance, Ending</b>	\$ 31,430,835	\$ 31,430,835	\$ 27,216,503	\$ (4,214,332)

See notes to required supplementary information

## Muncie Community Schools

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Required Supplementary Information  
Budget/GAAP Reconciliation (Non-GAAP Basis)  
Education Fund and Operations Fund  
Year Ended June 30, 2022

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)	\$ 4,453,460	\$ 247,080
Adjustments:		
To adjust for change in Rainy Day fund, which is not part of the Education Fund for budget purposes	2,471,491	-
To adjust revenues for accruals	230,177	(15,299)
To adjust expenditures for accruals	(17,030)	(53,139)
To adjust for calendar year to fiscal year differences	<u>(172,589)</u>	<u>(435,226)</u>
Net change in fund balance (GAAP basis)	<u>\$ 6,965,509</u>	<u>\$ (256,584)</u>

**Muncie Community Schools**

Required Supplementary Information

Schedule of the School's Proportionate Share of the Net Pension Liability

Public Employees' Retirement Fund

Last 10 Fiscal Years\*

<b>Fiscal Year Ended **</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate Share of the Net Pension Liability</b>	<b>Actual Covered Member Payroll</b>	<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of Total Payroll</b>
June 30, 2021	0.08818%	\$ 1,160,317	\$ 4,861,832	23.9%	92.5%
June 30, 2020	0.08066%	2,436,250	4,354,510	55.9%	81.4%
June 30, 2019	0.07874%	2,602,407	4,102,655	63.4%	80.1%
June 30, 2018	0.08072%	2,742,095	4,118,621	66.6%	78.9%
June 30, 2017	0.09195%	4,102,389	4,561,840	89.9%	72.7%
June 30, 2016	0.14005%	6,356,092	6,711,817	94.7%	71.2%
June 30, 2015	0.15010%	6,113,426	7,189,653	85.0%	73.3%
June 30, 2014	0.17546%	4,610,975	8,566,526	53.8%	81.1%

**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, which has a one year lag from the financial statements

## Muncie Community Schools

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Required Supplementary Information  
Schedule of School Contributions  
Public Employees' Retirement Fund  
Last 10 Fiscal Years\*

<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, 2021	11.20%	\$ 536,559	\$ 4,861,832	11.04%
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

Actual contributions met the required contributions

\*\* The data provided in the schedule is based as of the measurement date of INPRS (PERF) net pension liability, which has a one year lag from the financial statements

## 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>	<u>Plan Fiduciary Net Position as a Percentage of Total Payroll</u>
June 30, 2021	0.47053%	\$ (2,210,512)	\$ 17,148,753	-12.9%	106.2%
June 30, 2020	0.46194%	360,040	15,934,829	2.3%	98.8%
June 30, 2019	0.43713%	(627,977)	14,251,216	-4.4%	102.4%
June 30, 2018	0.51640%	572,750	16,228,018	3.5%	98.0%
June 30, 2017	0.59000%	3,906,961	17,814,654	21.9%	88.0%
June 30, 2016	0.63611%	4,964,968	18,322,458	27.1%	84.9%
June 30, 2015	0.68894%	3,627,806	18,882,517	19.2%	88.9%
June 30, 2014	0.72974%	346,997	18,885,188	1.8%	98.8%

**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, which has a one year lag from the financial statements

## Muncie Community Schools

Required Supplementary Information  
Schedule of School Contributions  
Teachers' Retirement Fund  
Last 10 Fiscal Years\*

<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, 2021	5.50%	\$ 894,797	\$ 17,148,753	5.22%
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

Actual contributions met required contributions

\*\* The data provided in the schedule is based as of the measurement date of INPRS (PERF) net pension liability, which has a one year lag from the financial statements

**Muncie Community Schools**

Required Supplementary Information  
Schedule of Changes in Total OPEB Liability  
Last 10 Years\*

	<u>Fiscal Year Ended June 30, 2022</u>	<u>Fiscal Year Ended June 30, 2021</u>	<u>Fiscal Year Ended June 30, 2020</u>
<b>Net OPEB Liability</b>			
<b>Total OPEB Liability</b>			
Interest	\$ 630	\$ 2,136	\$ 4,561
Changes in assumptions	(225)	159	985
Differences between expected and actual experience	12,297	(8,040)	-
Benefit payments	<u>(34,112)</u>	<u>(57,256)</u>	<u>(53,015)</u>
Net change in total OPEB liability	(21,410)	(63,001)	(47,469)
<b>Total OPEB Liability, Beginning</b>	<u>45,739</u>	<u>108,740</u>	<u>156,209</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 24,329</u>	<u>\$ 45,739</u>	<u>\$ 108,740</u>
<b>Plan Fiduciary Net Position</b>			
Contributions	\$ 34,112	\$ 57,256	\$ 53,015
Benefit payments	<u>(34,112)</u>	<u>(57,256)</u>	<u>(53,015)</u>
Net change in plan fiduciary net position	-	-	-
<b>Plan Fiduciary Net Position, Beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan Fiduciary Net Position, Ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Total OPEB Liability</b>	<u>\$ 24,329</u>	<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\*

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
1. Total OPEB Liability	\$ 24,329	\$ 45,739	\$ 108,740
2. Plan Fiduciary Net Position	<u>-</u>	<u>-</u>	<u>-</u>
3. Net OPEB Liability	<u>\$ 24,329</u>	<u>\$ 45,739</u>	<u>\$ 108,740</u>
4. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	0%	0%	0%
5. Covered Payroll	N/A	N/A	N/A
6. Total OPEB Liability as a Percentage of Covered Payroll	N/A	N/A	N/A

See notes to required supplementary information

## Muncie Community Schools

Required Supplementary Information  
Schedule of Employer Contributions - OPEB  
Last 10 Years\*

<b>OPEB Contributions</b>	<b><u>June 30, 2022</u></b>	<b><u>June 30, 2021</u></b>	<b><u>June 30, 2020</u></b>
Actuarially determined contribution**	\$ -	\$ -	\$ -
Actual employer contributions	<u>34,112</u>	<u>57,256</u>	<u>53,015</u>
Contribution excess	<u>\$ (34,112)</u>	<u>\$ (57,256)</u>	<u>\$ (53,015)</u>
Covered payroll	N/A	N/A	N/A
Contributions as a percentage of covered - employee payroll	N/A	N/A	N/A

### Notes to schedule:

\* Information presented for the years information is available

\*\*No actuarially determined contributions were reported

## **Muncie Community Schools**

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Required Supplementary Information

Schedule of Employer's Share of Nonemployer Contributing Entity Contributions

Pre-96 Teacher Retirement Fund

Last 10 Fiscal Years\*

<b><u>Year Ended **</u></b>	<b><u>Employer Share of Nonemployer Contributing Entity Contributions</u></b>
June 30, 2021	\$ 14,395,764
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, 2022

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## 1. Budgets and Budgetary Accounting

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

- a) 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.
- b) The School advertises the budget prior to adoption and the School Board holds public hearings to obtain taxpayer comments.
- c) The budget is approved in September of each year by the School Board through passage of an ordinance.
- d) 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.
- e) 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.
- f) 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, 2022

### 2. 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	6.25%, net of investment expense, including inflation
Asset valuation method	Fair market value adjusted for a 5-year phase-in of asset gains and losses
Inflation	2.25%
Salary increases	2.65% to 8.65% based on age
Mortality	Pubs 2010 Public Retirement Plans Mortality Table with fully generational improvements using SOA scale MP-2019

#### *Change in Assumptions:*

- The Interest Rate / Investment Return assumption changed from 6.75% to 6.25%.
- The inflation assumption changed from 2.25% to 2.00%.
- The Future Salary Scale assumption changed from 2.75% - 8.75% to 2.65% - 8.65%.

*Changes in Actuarial Methods:* There were no changes to the actuarial methods during the fiscal year.

*Plan Amendments:* HEA 1001-2021 granted a 1% COLA effective January 1, 2022.

#### TRF Plan:

- a) The actuarial assumptions and methods used in the June 30, 2021 valuation of the Teachers' 1996 Defined Benefit Account were adopted by the INPRS Board in May 2021. 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.

#### *Changes in Assumptions:*

- The Interest Rate / Investment Return assumption changed from 6.75% to 6.25%.
- The inflation assumption changed from 2.25% to 2.00%.
- The Future Salary Scale assumption changed from 2.75% - 12.00% to 2.65% - 11.90%.

*Changes in Plan Provisions:* HEA1001-2001 granted a 1% COLA effective January 1, 2022.

#### PRE 96 TRF plan:

The actuarial assumptions and methods used in the June 30, 2021 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in May 2021. 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 Required Supplementary Information  
June 30, 2022

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### *Changes in Assumptions:*

- The Interest Rate / Investment Return assumption changed from 6.75% to 6.25%.
- The inflation assumption changed from 2.25% to 2.00%.
- The Future Salary Scale assumption changed from 2.75% - 12.00% to 2.65% - 11.90%.

*Changes in Plan Provisions:* HEA1001-2001 granted a 1% COLA effective January 1, 2022.

### 3. 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% as of July 1, 2021 and 4.09% as of June 30, 2022
Discount rate basis	Based on the 20-year tax-exempt general obligation municipal bonds.
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, 2022

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 8,401,772	\$ -	\$ 71,258	\$ 8,473,030
Receivables:				
Accounts	299,117	-	-	299,117
Intergovernmental	1,040,425	-	-	1,040,425
Restricted assets:				
Cash and cash equivalents	-	2,126,164	-	2,126,164
 Total assets	 <u>\$ 9,741,314</u>	 <u>\$ 2,126,164</u>	 <u>\$ 71,258</u>	 <u>\$ 11,938,736</u>
 <b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 202,070	\$ -	\$ -	\$ 202,070
Accrued wages and payroll withholding	285,606	-	-	285,606
Due to other funds	1,492,110	-	-	1,492,110
 Total liabilities	 <u>1,979,786</u>	 <u>-</u>	 <u>-</u>	 <u>1,979,786</u>
 <b>Fund Balances</b>				
Restricted	5,644,301	2,126,164	71,258	7,841,723
Committed	3,048,164	-	-	3,048,164
Unassigned (deficit)	(930,937)	-	-	(930,937)
 Total fund balances	 <u>7,761,528</u>	 <u>2,126,164</u>	 <u>71,258</u>	 <u>9,958,950</u>
 Total liabilities and fund balances	 <u>\$ 9,741,314</u>	 <u>\$ 2,126,164</u>	 <u>\$ 71,258</u>	 <u>\$ 11,938,736</u>

# Muncie Community Schools

Combining Statement of Revenues, Expenditures and Changes

in Fund Balances

Nonmajor Governmental Funds

Year Ended June 30, 2022

	<b>Special Revenue Funds</b>	<b>Debt Service Funds</b>	<b>Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>				
Charges for services	\$ 1,244,281	\$ -	\$ -	\$ 1,244,281
Intergovernmental	16,152,423	-	-	16,152,423
Miscellaneous				
Interest on investments	-	20	-	20
Other	<u>1,836,800</u>	<u>-</u>	<u>-</u>	<u>1,836,800</u>
Total revenues	<u>19,233,504</u>	<u>20</u>	<u>-</u>	<u>19,233,524</u>
<b>Expenditures</b>				
Current:				
Instruction	7,557,593	-	-	7,557,593
Support services	4,275,817	-	-	4,275,817
Community services	3,738,683	-	-	3,738,683
Facilities acquisition and construction	506	-	433,539	434,045
Nonprogrammed charges	2,290,382	3,850	-	2,294,232
Capital outlay	-	-	-	-
Debt service:				
Principal paid on debt	-	3,200,000	-	3,200,000
Interest on debt	<u>-</u>	<u>864,492</u>	<u>-</u>	<u>864,492</u>
Total expenditures	<u>17,862,981</u>	<u>4,068,342</u>	<u>433,539</u>	<u>22,364,862</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,370,523</u>	<u>(4,068,322)</u>	<u>(433,539)</u>	<u>(3,131,338)</u>
<b>Other Financing Sources</b>				
Transfer in	<u>236,868</u>	<u>4,072,000</u>	<u>-</u>	<u>4,308,868</u>
Total other financing sources	<u>236,868</u>	<u>4,072,000</u>	<u>-</u>	<u>4,308,868</u>
Net change in fund balance	<u>1,607,391</u>	<u>3,678</u>	<u>(433,539)</u>	<u>1,177,530</u>
<b>Fund Balance, Beginning</b>	<u>6,154,137</u>	<u>2,122,486</u>	<u>504,797</u>	<u>8,781,420</u>
<b>Fund Balance, Ending</b>	<u>\$ 7,761,528</u>	<u>\$ 2,126,164</u>	<u>\$ 71,258</u>	<u>\$ 9,958,950</u>

**Muncie Community Schools**

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2022

	<b>Cafeteria Fund</b>	<b>Educational Promotions Fund</b>	<b>Shafer Grant</b>	<b>PBIS Grant - Star Press</b>	<b>Harry &amp; Janet Kitseiman Fund</b>	<b>ONB Comm Volunteer Pass-Thru</b>	<b>Alternative Ed. Grant</b>	<b>Lilly Counsel Initiative</b>
<b>Assets</b>								
Cash and investments	\$ 2,543,426	\$ 1,646	\$ -	\$ 18,121	\$ 3,012	\$ -	\$ 29,042	\$ 193,503
Receivables:								
Accounts	1,938	-	-	-	-	-	-	-
Intergovernmental	<u>370,032</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 2,915,396</u>	<u>\$ 1,646</u>	<u>\$ -</u>	<u>\$ 18,121</u>	<u>\$ 3,012</u>	<u>\$ -</u>	<u>\$ 29,042</u>	<u>\$ 193,503</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ 243	\$ -	\$ -	\$ -	\$ 3,012	\$ -	\$ 376	\$ 4,800
Accrued wages and payroll withholding	-	-	-	-	-	-	1,992	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>243</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,012</u>	<u>-</u>	<u>2,368</u>	<u>4,800</u>
<b>Fund Balances</b>								
Restricted	-	-	-	18,121	-	-	26,674	188,703
Committed	2,915,153	1,646	-	-	-	-	-	-
Unassigned (deficit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>2,915,153</u>	<u>1,646</u>	<u>-</u>	<u>18,121</u>	<u>-</u>	<u>-</u>	<u>26,674</u>	<u>188,703</u>
Total liabilities and fund balances	<u>\$ 2,915,396</u>	<u>\$ 1,646</u>	<u>\$ -</u>	<u>\$ 18,121</u>	<u>\$ 3,012</u>	<u>\$ -</u>	<u>\$ 29,042</u>	<u>\$ 193,503</u>

**Muncie Community Schools**

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2022

	BBF-Excellence Teaching Award Donations	Mutual Bank Enrichment Grant	CFP Foundation Community Grant	BBF-Improve, Innov Enhance Grant	In & Out Other	Adventure Envir Learn Cntr Fund	Community Found - Longfellow Fitness	Central ROTC Services Fund
<b>Assets</b>								
Cash and investments	\$ 241	\$ 22	\$ -	\$ 68,709	\$ 47,402	\$ 30,435	\$ 668	\$ -
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 241</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 68,709</u>	<u>\$ 47,402</u>	<u>\$ 30,435</u>	<u>\$ 668</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538	\$ -	\$ -
Accrued wages and payroll withholding	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	2,009
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538</u>	<u>-</u>	<u>2,009</u>
<b>Fund Balances</b>								
Restricted	241	22	-	68,709	47,402	-	-	-
Committed	-	-	-	-	-	29,897	668	-
Unassigned (deficit)	-	-	-	-	-	-	-	(2,009)
<b>Total fund balances</b>	<u>241</u>	<u>22</u>	<u>-</u>	<u>68,709</u>	<u>47,402</u>	<u>29,897</u>	<u>668</u>	<u>(2,009)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 241</u>	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ 68,709</u>	<u>\$ 47,402</u>	<u>\$ 30,435</u>	<u>\$ 668</u>	<u>\$ -</u>

**Muncie Community Schools**

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2022

	2016 PBIS							
	Christmas	Meridian	2016/17 RFF	Special Education	Pre-School	I Pad	Technology	Career Tech
	Sing Fund	Intecare	Evidence	Student	Program	Insurance	Contingency	Perf Grant
		Grant	Based Prc	Reimbursement		Fund	Fund	
<b>Assets</b>								
Cash and investments	\$ 5,496	\$ 2,922	\$ -	\$ -	\$ 779,575	\$ -	\$ -	\$ -
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	5,225	-	-	-	-
Total assets	<u>\$ 5,496</u>	<u>\$ 2,922</u>	<u>\$ -</u>	<u>\$ 5,225</u>	<u>\$ 779,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	-	-	-	-	6,942	-	-	-
Due to other funds	-	-	-	1,650	-	-	-	-
Total liabilities	-	-	-	1,650	6,942	-	-	-
<b>Fund Balances</b>								
Restricted	-	2,922	-	3,575	772,633	-	-	-
Committed	5,496	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-
Total fund balances	<u>5,496</u>	<u>2,922</u>	<u>-</u>	<u>3,575</u>	<u>772,633</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 5,496</u>	<u>\$ 2,922</u>	<u>\$ -</u>	<u>\$ 5,225</u>	<u>\$ 779,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Muncie Community Schools**

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2022

	2016/17							
	Connectivity Technology Grant	Come Back Stronger Grant	2018/19 Mp3 - Ball Brother	2016/17 McKinney- Vento Education	CF-Mental Health Program	Sursa Award Honor Jim Williams	Digital Learning Building	GFB Virtual Learning Grant
<b>Assets</b>								
Cash and investments	\$ 16,549	\$ 7	\$ -	\$ -	\$ 1,729	\$ -	\$ -	\$ -
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	1,301	-	-	39,766	-
<b>Total assets</b>	<b>\$ 16,549</b>	<b>\$ 7</b>	<b>\$ -</b>	<b>\$ 1,301</b>	<b>\$ 1,729</b>	<b>\$ -</b>	<b>\$ 39,766</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,200	\$ -
Accrued wages and payroll withholding	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	6,318	-	-	39,766	5,996
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,318</b>	<b>-</b>	<b>-</b>	<b>58,966</b>	<b>5,996</b>
<b>Fund Balances</b>								
Restricted	-	-	-	-	1,729	-	-	-
Committed	16,549	7	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	(5,017)	-	-	(19,200)	(5,996)
<b>Total fund balances</b>	<b>16,549</b>	<b>7</b>	<b>-</b>	<b>(5,017)</b>	<b>1,729</b>	<b>-</b>	<b>(19,200)</b>	<b>(5,996)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,549</b>	<b>\$ 7</b>	<b>\$ -</b>	<b>\$ 1,301</b>	<b>\$ 1,729</b>	<b>\$ -</b>	<b>\$ 39,766</b>	<b>\$ -</b>

**Muncie Community Schools**

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2022

	<u>2021 Habitat Learning Cohort</u>	<u>Educational Promotions Fund</u>	<u>I Pad Insurance Fund</u>	<u>Summer School Incentive</u>	<u>Upward Pathways Program</u>	<u>Early Intervention Grant</u>	<u>Medicaid Reimbursement - State</u>	<u>STEM-Prim Math Pilot Program</u>
<b>Assets</b>								
Cash and investments	\$ -	\$ 288,179	\$ 78,748	\$ -	\$ 15,904	\$ -	\$ 116,675	\$ -
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 288,179</u>	<u>\$ 78,748</u>	<u>\$ -</u>	<u>\$ 15,904</u>	<u>\$ -</u>	<u>\$ 116,675</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>								
Restricted	-	288,179	-	-	15,904	-	116,675	-
Committed	-	-	78,748	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>288,179</u>	<u>78,748</u>	<u>-</u>	<u>15,904</u>	<u>-</u>	<u>116,675</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ 288,179</u>	<u>\$ 78,748</u>	<u>\$ -</u>	<u>\$ 15,904</u>	<u>\$ -</u>	<u>\$ 116,675</u>	<u>\$ -</u>

**Muncie Community Schools**

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2022

	Alternative Education 2019-20	CTE Summer Bridge Program	Career Ladders Grant	Medicaid Reimbursement - FED	21st Centruy Community Learn	2018/19 Title I Basic Grant	Adult Basic Education Grants	BBF Rapid Grant
<b>Assets</b>								
Cash and investments	\$ -	\$ -	\$ 244,648	\$ 461,683	\$ -	\$ -	\$ -	\$ -
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	45,921	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,648</u>	<u>\$ 461,683</u>	<u>\$ 45,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,251	\$ -
Accrued wages and payroll withholding	-	-	-	-	-	-	7,236	-
Due to other funds	-	-	-	-	45,921	-	76,243	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,921</u>	<u>-</u>	<u>97,730</u>	<u>-</u>
<b>Fund Balances</b>								
Restricted	-	-	244,648	461,683	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	(97,730)	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>244,648</u>	<u>461,683</u>	<u>-</u>	<u>-</u>	<u>(97,730)</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,648</u>	<u>\$ 461,683</u>	<u>\$ 45,921</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Muncie Community Schools**

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2022

	<b>Ball Brothers Grants</b>	<b>Cares Act Grants</b>	<b>Donation Funds</b>	<b>Dual Language Grants</b>	<b>Excellence in Performance Grants</b>	<b>George and Frances Ball</b>	<b>High Ability Grants</b>	<b>IDEA Grants</b>	<b>Kindergarten Kickoff</b>
<b>Assets</b>									
Cash and investments	\$ 419,407	\$ -	\$ 123,309	\$ -	\$ -	\$ -	\$ 36,652	\$ -	\$ -
Receivables:									
Accounts	-	-	-	-	-	297,001	-	-	-
Intergovernmental	-	106,333	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 419,407</b>	<b>\$ 106,333</b>	<b>\$ 123,309</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 297,001</b>	<b>\$ 36,652</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ 28,408	\$ 9,353	\$ -	\$ -	\$ -	\$ 7,970	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	-	21,662	-	-	-	21,165	-	-	-
Due to other funds	-	115,665	-	-	-	298,992	-	-	-
<b>Total liabilities</b>	<b>28,408</b>	<b>146,680</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>328,127</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>									
Restricted	390,999	-	123,309	-	-	-	36,652	-	-
Committed	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	(40,347)	-	-	-	(31,126)	-	-	-
<b>Total fund balances</b>	<b>390,999</b>	<b>(40,347)</b>	<b>123,309</b>	<b>-</b>	<b>-</b>	<b>(31,126)</b>	<b>36,652</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 419,407</b>	<b>\$ 106,333</b>	<b>\$ 123,309</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 297,001</b>	<b>\$ 36,652</b>	<b>\$ -</b>	<b>\$ -</b>

**Muncie Community Schools**

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2022

	Literacy Grant	Non English Speaking Grants	Perkins Grant	Scholarship Funds	Secured School Grants	Special Education	Textbook Rental	Title I Grants	Athletics Fund
<b>Assets</b>									
Cash and investments	\$ -	\$ 8,792	\$ -	\$ 420,135	\$ -	\$ -	\$ 1,967,221	\$ -	\$ -
Receivables:									
Accounts	-	-	-	-	-	-	178	-	-
Intergovernmental	-	-	-	-	-	-	-	343,643	-
Total assets	\$ -	\$ 8,792	\$ -	\$ 420,135	\$ -	\$ -	\$ 1,967,399	\$ 343,643	\$ -
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Accounts payable	\$ -	\$ 2,200	\$ 18,107	\$ -	\$ -	\$ 14,037	\$ 20,160	\$ 29,453	\$ -
Accrued wages and payroll withholding	-	215	2,180	-	-	68,150	-	112,393	-
Due to other funds	-	-	78,213	-	85,556	253,794	-	343,643	-
Total liabilities	-	2,415	98,500	-	85,556	335,981	20,160	485,489	-
<b>Fund Balances</b>									
Restricted	-	6,377	-	420,135	-	-	1,947,239	-	-
Committed	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	(98,500)	-	(85,556)	(335,981)	-	(141,846)	-
Total fund balances	-	6,377	(98,500)	420,135	(85,556)	(335,981)	1,947,239	(141,846)	-
Total liabilities and fund balances	\$ -	\$ 8,792	\$ -	\$ 420,135	\$ -	\$ -	\$ 1,967,399	\$ 343,643	\$ -

**Muncie Community Schools**

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2022

	School Lunch Fund	Title II Grants	Title III Grants	Title IV Grants	Vocational COOP	CF Kitzelman Grant	Mental Health Relief Grant	2021-2022 Early Intervention
<b>Assets</b>								
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 2,140	\$ 15,648	\$ 807	\$ 8,665
Receivables:								
Accounts	-	-	-	-	-	-	-	-
Intergovernmental	-	62,166	3,877	35,182	-	-	-	-
Total assets	\$ -	\$ 62,166	\$ 3,877	\$ 35,182	\$ 2,140	\$ 15,648	\$ 807	\$ 8,665
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ 12,617	\$ 200	\$ 1,001	\$ -	\$ 15,648	\$ 496	\$ -
Accrued wages and payroll withholding	-	33,596	-	4,373	-	-	-	-
Due to other funds	-	66,305	3,877	35,182	-	-	-	-
Total liabilities	-	112,518	4,077	40,556	-	15,648	496	-
<b>Fund Balances</b>								
Restricted	-	-	-	-	2,140	-	311	8,665
Committed	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	(50,352)	(200)	(5,374)	-	-	-	-
Total fund balances	-	(50,352)	(200)	(5,374)	2,140	-	311	8,665
Total liabilities and fund balances	\$ -	\$ 62,166	\$ 3,877	\$ 35,182	\$ 2,140	\$ 15,648	\$ 807	\$ 8,665

**Muncie Community Schools**

Combining Balance Sheet -

Nonmajor Governmental Funds - Special Revenue Funds

June 30, 2022

	<b>ESSER III CTE Summer Bridge</b>	<b>Family Navigator Grant</b>	<b>Student Learning Recovery</b>	<b>Digital Learning Grant</b>	<b>Extra- Curricular Activities</b>	<b>Total Special Revenue</b>
<b>Assets</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 450,654	\$ 8,401,772
Receivables:						
Accounts	-	-	-	-	-	299,117
Intergovernmental	-	-	26,979	-	-	1,040,425
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,979</b>	<b>\$ -</b>	<b>\$ 450,654</b>	<b>\$ 9,741,314</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,070
Accrued wages and payroll withholding	-	2,110	3,592	-	-	285,606
Due to other funds	-	-	26,979	6,001	-	1,492,110
<b>Total liabilities</b>	<b>-</b>	<b>2,110</b>	<b>30,571</b>	<b>6,001</b>	<b>-</b>	<b>1,979,786</b>
<b>Fund Balances</b>						
Restricted	-	-	-	-	450,654	5,644,301
Committed	-	-	-	-	-	3,048,164
Unassigned (deficit)	-	(2,110)	(3,592)	(6,001)	-	(930,937)
<b>Total fund balances</b>	<b>-</b>	<b>(2,110)</b>	<b>(3,592)</b>	<b>(6,001)</b>	<b>450,654</b>	<b>7,761,528</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 26,979</b>	<b>\$ -</b>	<b>\$ 450,654</b>	<b>\$ 9,741,314</b>

## Muncie Community Schools

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Year Ended June 30, 2022

		Educational				ONB Comm			BBF- Excellence Teaching Award
	Cafeteria Fund	Promotions Fund	Shafer Grant	PBIS Grant - Star Press	Harry & Janet Kitseiman Fund	Volunteer Pass-Thru	Alternative Ed. Grant	Lilly Counsel Initiative	Donations
<b>Revenues</b>									
Charges for services	\$ 131,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,865,501	544	6,201	-	-	16,750	-	-	-
Miscellaneous									
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>3,997,120</u>	<u>544</u>	<u>6,201</u>	<u>-</u>	<u>-</u>	<u>16,750</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>									
Current:									
Instruction	-	-	6,201	10,750	3,012	-	67,869	48,831	1,278
Support services	-	-	-	-	-	16,750	-	-	-
Community services	3,545,794	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>3,545,794</u>	<u>-</u>	<u>6,201</u>	<u>10,750</u>	<u>3,012</u>	<u>16,750</u>	<u>67,869</u>	<u>48,831</u>	<u>1,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>451,326</u>	<u>544</u>	<u>-</u>	<u>(10,750)</u>	<u>(3,012)</u>	<u>-</u>	<u>(67,869)</u>	<u>(48,831)</u>	<u>(1,278)</u>
<b>Other Financing Sources</b>									
Transfer in	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>451,326</u>	<u>544</u>	<u>-</u>	<u>(10,750)</u>	<u>(3,012)</u>	<u>-</u>	<u>(67,869)</u>	<u>(48,831)</u>	<u>(1,278)</u>
<b>Fund Balance (Deficit), Beginning</b>	<u>2,463,827</u>	<u>1,102</u>	<u>-</u>	<u>28,871</u>	<u>3,012</u>	<u>-</u>	<u>94,543</u>	<u>237,534</u>	<u>1,519</u>
<b>Fund Balance (Deficit), Ending</b>	<u>\$ 2,915,153</u>	<u>\$ 1,646</u>	<u>\$ -</u>	<u>\$ 18,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,674</u>	<u>\$ 188,703</u>	<u>\$ 241</u>

## Muncie Community Schools

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds - Special Revenue Funds  
Year Ended June 30, 2022

	Mutual Bank Enrichment Grant	CFP Foundation Community Grant	BBF-Improve, Innov Enhance Grant	In & Out Other	Adventure Envir Learn Cntr Fund	Community Found - Longfellow Fitness	Central ROTC Services Fund	Christmas Sing Fund	2016 PBIS Meridian Intecare Grant
<b>Revenues</b>									
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,750	\$ -	\$ -
Intergovernmental	-	-	-	5,516	13,300	-	-	-	-
Miscellaneous									
Other	-	-	-	110,367	2,296	-	-	-	-
Total revenues	-	-	-	115,883	15,596	-	35,750	-	-
<b>Expenditures</b>									
Current:									
Instruction	-	478	6,218	85,160	-	-	57,115	-	-
Support services	-	-	38,271	-	17,339	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	306	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	-	478	44,489	85,160	17,339	306	57,115	-	-
Excess (deficiency) of revenues over (under) expenditures	-	(478)	(44,489)	30,723	(1,743)	(306)	(21,365)	-	-
<b>Other Financing Sources</b>									
Transfer in	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	(478)	(44,489)	30,723	(1,743)	(306)	(21,365)	-	-
<b>Fund Balance (Deficit), Beginning</b>	22	478	113,198	16,679	31,640	974	19,356	5,496	2,922
<b>Fund Balance (Deficit), Ending</b>	\$ 22	\$ -	\$ 68,709	\$ 47,402	\$ 29,897	\$ 668	\$ (2,009)	\$ 5,496	\$ 2,922

## Muncie Community Schools

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds - Special Revenue Funds  
Year Ended June 30, 2022

	2016/17 RFF Evidence Based Prc	Special Education Student Reimbursement	Pre-School Program	I Pad Insurance Fund	Technology Contingency Fund	Career Tech Perf Grant	Connectivity Technology Grant	Come Back Stronger Grant	2018/19 Mp3 - Ball Brother
<b>Revenues</b>									
Charges for services	\$ -	\$ -	\$ 735,583	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	87,679	-	-	-	-	12,760	-	70,165
Miscellaneous									
Other	-	-	-	-	-	-	-	-	-
Total revenues	-	87,679	735,583	-	-	-	12,760	-	70,165
<b>Expenditures</b>									
Current:									
Instruction	-	84,104	92,011	-	-	13,693	-	-	76,209
Support services	-	-	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	-	84,104	92,011	-	-	13,693	-	-	76,209
Excess (deficiency) of revenues over (under) expenditures	-	3,575	643,572	-	-	(13,693)	12,760	-	(6,044)
<b>Other Financing Sources</b>									
Transfer in	-	-	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-	-	-
Net change in fund balance	-	3,575	643,572	-	-	(13,693)	12,760	-	(6,044)
<b>Fund Balance (Deficit), Beginning</b>	-	-	129,061	-	-	13,693	3,789	7	6,044
<b>Fund Balance (Deficit), Ending</b>	\$ -	\$ 3,575	\$ 772,633	\$ -	\$ -	\$ -	\$ 16,549	\$ 7	\$ -

## Muncie Community Schools

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds - Special Revenue Funds  
Year Ended June 30, 2022

	2016/17 McKinney- Vento Education	CF-Mental Health Program	Sursa Award Honor Jim Williams	Digital Learning Building	GFB Virtual Learning Grant	2021 Habitat Learning Cohart	Educational Promotions Fund	I Pad Insurance Fund	Summer School Incentive
<b>Revenues</b>									
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,409	\$ 23,198	\$ -
Intergovernmental	23,899	-	-	55,800	-	-	-	-	-
Miscellaneous									
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>23,899</u>	<u>-</u>	<u>-</u>	<u>55,800</u>	<u>-</u>	<u>-</u>	<u>2,409</u>	<u>23,198</u>	<u>-</u>
<b>Expenditures</b>									
Current:									
Instruction	17,406	1,392	-	-	-	11	-	-	1,461
Support services	11,327	-	-	74,157	29,736	-	4,528	-	-
Community services	-	-	318	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>28,733</u>	<u>1,392</u>	<u>318</u>	<u>74,157</u>	<u>29,736</u>	<u>11</u>	<u>4,528</u>	<u>-</u>	<u>1,461</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,834)</u>	<u>(1,392)</u>	<u>(318)</u>	<u>(18,357)</u>	<u>(29,736)</u>	<u>(11)</u>	<u>(2,119)</u>	<u>23,198</u>	<u>(1,461)</u>
<b>Other Financing Sources</b>									
Transfer in	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(4,834)</u>	<u>(1,392)</u>	<u>(318)</u>	<u>(18,357)</u>	<u>(29,736)</u>	<u>(11)</u>	<u>(2,119)</u>	<u>23,198</u>	<u>(1,461)</u>
<b>Fund Balance (Deficit), Beginning</b>	<u>(183)</u>	<u>3,121</u>	<u>318</u>	<u>(843)</u>	<u>23,740</u>	<u>11</u>	<u>290,298</u>	<u>55,550</u>	<u>1,461</u>
<b>Fund Balance (Deficit), Ending</b>	<u>\$ (5,017)</u>	<u>\$ 1,729</u>	<u>\$ -</u>	<u>\$ (19,200)</u>	<u>\$ (5,996)</u>	<u>\$ -</u>	<u>\$ 288,179</u>	<u>\$ 78,748</u>	<u>\$ -</u>

## Muncie Community Schools

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Year Ended June 30, 2022

	Upward Pathways Program	Early Intervention Grant	Medicaid Reimbursement - State	STEM-Prim Math Pilot Program	Alternative Education 2019-20	CTE Summer Bridge Program	Career Ladders Grant	Medicaid Reimburse ment - FED	21st Centruy Community Learn
<b>Revenues</b>									
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	10,000	-	34,039	-	-	-	-	143,475	143,854
Miscellaneous									
Other	-	-	-	-	42,750	1,871	-	-	-
Total revenues	<u>10,000</u>	<u>-</u>	<u>34,039</u>	<u>-</u>	<u>42,750</u>	<u>1,871</u>	<u>-</u>	<u>143,475</u>	<u>143,854</u>
<b>Expenditures</b>									
Current:									
Instruction	4,096	617	-	-	62,349	-	-	9,133	93,159
Support services	-	-	-	-	1,666	-	167,506	-	48,100
Community services	-	-	-	-	-	-	-	-	2,595
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>4,096</u>	<u>617</u>	<u>-</u>	<u>-</u>	<u>64,015</u>	<u>-</u>	<u>167,506</u>	<u>9,133</u>	<u>143,854</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,904</u>	<u>(617)</u>	<u>34,039</u>	<u>-</u>	<u>(21,265)</u>	<u>1,871</u>	<u>(167,506)</u>	<u>134,342</u>	<u>-</u>
<b>Other Financing Sources</b>									
Transfer in	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>5,904</u>	<u>(617)</u>	<u>34,039</u>	<u>-</u>	<u>(21,265)</u>	<u>1,871</u>	<u>(167,506)</u>	<u>134,342</u>	<u>-</u>
<b>Fund Balance (Deficit), Beginning</b>	<u>10,000</u>	<u>617</u>	<u>82,636</u>	<u>-</u>	<u>21,265</u>	<u>(1,871)</u>	<u>412,154</u>	<u>327,341</u>	<u>-</u>
<b>Fund Balance (Deficit), Ending</b>	<u>\$ 15,904</u>	<u>\$ -</u>	<u>\$ 116,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 244,648</u>	<u>\$ 461,683</u>	<u>\$ -</u>

## Muncie Community Schools

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Year Ended June 30, 2022

	2018/19 Title I Basic Grant	Adult Basic Education Grants	BBF Rapid Grant	Ball Brothers Grants	Cares Act Grants	Donation Funds	Dual Language Grants	Excellence in Performance Grants	George and Frances Ball
<b>Revenues</b>									
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	295,880	111,678	437,500	1,326,101	2,238,900	21,308	183,944	407,783
Miscellaneous									
Other	-	-	-	-	-	3,404	-	-	-
Total revenues	-	295,880	111,678	437,500	1,326,101	2,242,304	21,308	183,944	407,783
<b>Expenditures</b>									
Current:									
Instruction	-	388,521	3,121	77,266	518,501	3,728	17,000	188,489	320,956
Support services	-	-	129,600	202,350	827,629	121,338	-	-	123,722
Community services	-	-	-	106,334	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	200	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	2,015,010	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	-	388,521	132,721	385,950	1,346,330	2,140,076	17,000	188,489	444,678
Excess (deficiency) of revenues over (under) expenditures	-	(92,641)	(21,043)	51,550	(20,229)	102,228	4,308	(4,545)	(36,895)
<b>Other Financing Sources</b>									
Transfer in	217,110	-	-	-	-	-	-	-	1,041
Total other financing sources	217,110	-	-	-	-	-	-	-	1,041
Net change in fund balance	217,110	(92,641)	(21,043)	51,550	(20,229)	102,228	4,308	(4,545)	(35,854)
<b>Fund Balance (Deficit), Beginning</b>	(217,110)	(5,089)	21,043	339,449	(20,118)	21,081	(4,308)	4,545	4,728
<b>Fund Balance (Deficit), Ending</b>	\$ -	\$ (97,730)	\$ -	\$ 390,999	\$ (40,347)	\$ 123,309	\$ -	\$ -	\$ (31,126)

## Muncie Community Schools

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Year Ended June 30, 2022

	High Ability		Kindergarten	Literacy	Non English	Perkins	Scholarship	Secured	Special
	Grants	IDEA Grants	Kickoff	Grant	Speaking	Grant	Funds	School Grants	Education
<b>Revenues</b>									
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	49,636	-	-	-	37,116	96,700	-	9,779	1,812,929
Miscellaneous									
Other	-	-	7,500	-	-	197,018	9,992	-	-
Total revenues	<u>49,636</u>	<u>-</u>	<u>7,500</u>	<u>-</u>	<u>37,116</u>	<u>293,718</u>	<u>9,992</u>	<u>9,779</u>	<u>1,812,929</u>
<b>Expenditures</b>									
Current:									
Instruction	48,116	-	12,305	-	51,056	386,586	-	-	1,659,243
Support services	-	-	-	-	-	-	-	90,202	88,778
Community services	-	-	-	-	2,016	-	-	-	41,830
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	39,501	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>48,116</u>	<u>-</u>	<u>12,305</u>	<u>-</u>	<u>53,072</u>	<u>386,586</u>	<u>39,501</u>	<u>90,202</u>	<u>1,789,851</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,520</u>	<u>-</u>	<u>(4,805)</u>	<u>-</u>	<u>(15,956)</u>	<u>(92,868)</u>	<u>(29,509)</u>	<u>(80,423)</u>	<u>23,078</u>
<b>Other Financing Sources</b>									
Transfer in	-	-	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>1,520</u>	<u>-</u>	<u>(4,805)</u>	<u>-</u>	<u>(15,956)</u>	<u>(92,868)</u>	<u>(29,509)</u>	<u>(80,423)</u>	<u>23,078</u>
<b>Fund Balance (Deficit), Beginning</b>	<u>35,132</u>	<u>-</u>	<u>4,805</u>	<u>-</u>	<u>22,333</u>	<u>(5,632)</u>	<u>449,644</u>	<u>(5,133)</u>	<u>(359,059)</u>
<b>Fund Balance (Deficit), Ending</b>	<u>\$ 36,652</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,377</u>	<u>\$ (98,500)</u>	<u>\$ 420,135</u>	<u>\$ (85,556)</u>	<u>\$ (335,981)</u>

## Muncie Community Schools

Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Nonmajor Governmental Funds - Special Revenue Funds  
 Year Ended June 30, 2022

	Textbook Rental	Title I Grants	Athletics Fund	School Lunch Fund	Title II Grants	Title III Grants	Title IV Grants	Vocational COOP	CF Kitzelman Grant
<b>Revenues</b>									
Charges for services	\$ 33,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	304,269	3,530,522	-	-	481,935	14,564	225,907	-	20,000
Miscellaneous	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>337,619</u>	<u>3,530,522</u>	<u>-</u>	<u>-</u>	<u>481,935</u>	<u>14,564</u>	<u>225,907</u>	<u>-</u>	<u>20,000</u>
<b>Expenditures</b>									
Current:									
Instruction	141,995	1,826,520	-	-	215,257	304	157,368	-	20,000
Support services	-	1,524,426	56,118	1,113	285,316	14,017	63,871	-	-
Community services	-	34,788	-	-	5,008	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>141,995</u>	<u>3,385,734</u>	<u>56,118</u>	<u>1,113</u>	<u>505,581</u>	<u>14,321</u>	<u>221,239</u>	<u>-</u>	<u>20,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>195,624</u>	<u>144,788</u>	<u>(56,118)</u>	<u>(1,113)</u>	<u>(23,646)</u>	<u>243</u>	<u>4,668</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources</b>									
Transfer in	<u>18,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>18,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>214,341</u>	<u>144,788</u>	<u>(56,118)</u>	<u>(1,113)</u>	<u>(23,646)</u>	<u>243</u>	<u>4,668</u>	<u>-</u>	<u>-</u>
<b>Fund Balance (Deficit), Beginning</b>	<u>1,732,898</u>	<u>(286,634)</u>	<u>56,118</u>	<u>1,113</u>	<u>(26,706)</u>	<u>(443)</u>	<u>(10,042)</u>	<u>2,140</u>	<u>-</u>
<b>Fund Balance (Deficit), Ending</b>	<u>\$ 1,947,239</u>	<u>\$ (141,846)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (50,352)</u>	<u>\$ (200)</u>	<u>\$ (5,374)</u>	<u>\$ 2,140</u>	<u>\$ -</u>

## Muncie Community Schools

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds - Special Revenue Funds  
Year Ended June 30, 2022

	Mental Health Relief Grant	2021-2022 Early Intervention	ESSER III CTE Summer Bridge	Family Navigator Grant	Student Learning Recovery	Digital Learning Grant	Extra- Curricular Activities	Total Special Revenue
<b>Revenues</b>								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282,372	\$ 1,244,281
Intergovernmental	10,000	17,639	1,871	-	26,979	-	-	16,152,423
Miscellaneous								
Other	-	-	-	-	-	-	1,461,602	1,836,800
Total revenues	10,000	17,639	1,871	-	26,979	-	1,743,974	19,233,504
<b>Expenditures</b>								
Current:								
Instruction	-	8,974	1,871	-	24,023	-	743,840	7,557,593
Support services	9,689	-	-	2,110	6,548	6,001	313,609	4,275,817
Community services	-	-	-	-	-	-	-	3,738,683
Facilities acquisition and construction	-	-	-	-	-	-	-	506
Nonprogrammed charges	-	-	-	-	-	-	235,871	2,290,382
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	9,689	8,974	1,871	2,110	30,571	6,001	1,293,320	17,862,981
Excess (deficiency) of revenues over (under) expenditures	311	8,665	-	(2,110)	(3,592)	(6,001)	450,654	1,370,523
<b>Other Financing Sources</b>								
Transfer in	-	-	-	-	-	-	-	236,868
Total other financing sources	-	-	-	-	-	-	-	236,868
Net change in fund balance	311	8,665	-	(2,110)	(3,592)	(6,001)	450,654	1,607,391
<b>Fund Balance (Deficit), Beginning</b>	-	-	-	-	-	-	-	6,154,137
<b>Fund Balance (Deficit), Ending</b>	\$ 311	\$ 8,665	\$ -	\$ (2,110)	\$ (3,592)	\$ (6,001)	\$ 450,654	\$ 7,761,528

# Muncie Community Schools

Combining Balance Sheet

Nonmajor Governmental Funds - Debt Service Fund

June 30, 2022

	<u>Building Corporation</u>
<b>Assets</b>	
<b>Restricted Assets</b>	
Cash and investments	\$ <u>2,126,164</u>
Total assets	\$ <u><u>2,126,164</u></u>
<b>Fund Balances</b>	
Restricted	\$ <u>2,126,164</u>

# Muncie Community Schools

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds - Debt Service Fund

Year Ended June 30, 2022

	<u>Building Corporation</u>
<b>Revenues</b>	
Miscellaneous:	
Interest on investments	\$ 20
Total revenues	<u>20</u>
<b>Expenditures</b>	
Current:	
Nonprogrammed charges	3,850
Debt service:	
Principal paid on debt	3,200,000
Interest on debt	<u>864,492</u>
Total expenditures	<u>4,068,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,068,322)</u>
<b>Other Financing Sources</b>	
Transfer in	<u>4,072,000</u>
Total other financing sources	<u>4,072,000</u>
Net change in fund balance	<u>3,678</u>
<b>Fund Balance, Beginning</b>	<u>2,122,486</u>
<b>Fund Balance, Ending</b>	<u>\$ 2,126,164</u>

# Muncie Community Schools

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Combining Balance Sheet

Nonmajor Governmental Funds - Capital Project Fund

June 30, 2022

	<b>2014 GO Construction Bond Fund</b>
	<u>                    </u>
<b>Assets</b>	
Cash and investments	\$ <u>71,258</u>
<b>Fund Balances</b>	
Restricted	\$ <u>71,258</u>
Total fund balances	\$ <u>71,258</u>

# Muncie Community Schools

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds - Capital Project Fund

Year Ended June 30, 2022

	<b>2014 GO Construction Bond Fund</b>
<b>Expenditures</b>	
Current:	
Facilities acquisition and construction	\$ <u>433,539</u>
Total expenditures	<u>433,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(433,539)</u>
Net change in fund balance	<u>(433,539)</u>
<b>Fund Balance, Beginning</b>	<u>504,797</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 71,258</u></u>

# Muncie Community Schools

Combining Statement of Fiduciary Net Position -  
Custodial Funds  
June 30, 2022

	<u>Special Education Pass-through</u>	<u>Prepaid Lunch</u>	<u>Total</u>
<b>Assets</b>			
Cash and cash equivalents	\$ -	\$ 31,311	\$ 31,311
Intergovernmental receivable	<u>40,647</u>	<u>-</u>	<u>40,647</u>
Total assets	<u>\$ 40,647</u>	<u>\$ 31,311</u>	<u>\$ 71,958</u>
<b>Net Position</b>			
<b>Net Position, Restricted</b>	<u>\$ 40,647</u>	<u>\$ 31,311</u>	<u>\$ 71,958</u>

## Muncie Community School Corporation

Combining Statement of Changes in Fiduciary Net Position -

Custodial Funds

Year Ended June 30, 2022

	<u>Special Education Preschool</u>	<u>Prepaid Lunch</u>	<u>Total</u>
<b>Additions</b>			
Intergovernmental	\$ 237,575	\$ -	\$ 237,575
Other	<u>1,632,075</u>	<u>52,552</u>	<u>1,684,627</u>
Total additions	<u>1,869,650</u>	<u>52,552</u>	<u>1,922,202</u>
<b>Deductions</b>			
Instruction	1,693,249	-	1,693,249
Paid to other governments	733,485	-	733,485
Other	<u>373,479</u>	<u>21,241</u>	<u>394,720</u>
Total deductions	<u>2,800,213</u>	<u>21,241</u>	<u>2,821,454</u>
Changes in net position	(930,563)	31,311	(899,252)
<b>Net Position, Beginning</b>	<u>971,210</u>	<u>-</u>	<u>971,210</u>
<b>Net Position, Ending</b>	<u>\$ 40,647</u>	<u>\$ 31,311</u>	<u>\$ 71,958</u>

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

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

June 30, 2022

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

**SINGLE AUDIT REPORT  
IN ACCORDANCE WITH UNIFORM GUIDANCE**  
June 30, 2022

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FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT 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, 2022, 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 March 17, 2023.

### Report on 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 or significant deficiencies may exist that have not been identified.

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(Continued)

## **Report on 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*.

### **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*  
Crowe LLP

Indianapolis, Indiana  
March 17, 2023

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR 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 Major Federal Program**

***Qualified Opinion on Major Federal Program***

We have audited Muncie Community Schools' ("School Corporation") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the School Corporation's major federal program for the year ended June 30, 2022. The School Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the School Corporation complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Education Stabilization Fund for year ended June 30, 2022.

***Basis for Qualified Opinion on Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School Corporation and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the School Corporation's compliance with the compliance requirements referred to above.

***Matter Giving Rise to Qualified Opinion on the Education Stabilization Fund***

As described in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding ALN 84.425D Education Stabilization Fund as described in finding number 2022-001 for Special Tests and Provisions. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with the requirements applicable to that program.

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(Continued)

## **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to School Corporation's federal programs.

## **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on School Corporation's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about School Corporation's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of School Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 School Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Other Matters**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

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(Continued)

*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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001 to be a material weakness.

*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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the School Corporation's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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, 2022, and the related notes to the financial statements, which collectively comprise the School Corporation's basic financial statements. We issued our report thereon dated March 17, 2023, 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  
March 17, 2023

MUNCIE COMMUNITY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Agriculture</u>				
Child Nutrition Cluster	Indiana Department of Education			
School Breakfast Program		10.553	2021-2022	\$ 3,521,908
Commodities		10.555	2021-2022	358,473
Summer Food Services		10.559	2021-2022	<u>77,769</u>
Total - Child Nutrition Cluster				<u>3,958,150</u>
Child and Adult Care Food Program Supper Program	Indiana Department of Education	10.558	2021-2022	<u>231,053</u>
Total - Child and Adult Care Food Program				<u>231,053</u>
Total - Department of Agriculture				<u>4,189,203</u>
<u>Department of Education</u>				
Special Education Cluster(IDEA)				
Special Education Grants to States	Indiana Department of Education			
Special Ed-Part B		84.027	H027A190084	1,698,698
COVID-19 - Special Ed-Part B		84.027	H027C210084	<u>4,380</u>
Total - Special Education Grants to States				<u>1,703,078</u>
Special Education Preschool Grants	Indiana Department of Education			
Special Ed Preschool		84.173	H173A190104	<u>114,232</u>
Total - Special Education Preschool Grants				<u>114,232</u>
Total - Special Education Cluster(IDEA)				<u>1,817,310</u>
Adult Education - Basic Grants to States	Indiana Department of Workforce Development			
ABE Federal Grant		84.002	V002a20014	<u>290,860</u>
Total - Adult Education - Basic Grants to State				<u>290,860</u>
Title I Grants to Local Education Agencies	Indiana Department of Education			
Title I, Part A		84.010	S010A200014	<u>3,589,898</u>
Total - Title I Grants to LEA				<u>3,589,898</u>
Career and Technical Education - Basic Grants to State	Indiana Department of Education			
FY21 Perkins		84.048	21-0512-1970	149,300
FY21 Perkins Assesment		84.048	21-0512-A022	5,196
COVID-19 FY21 Perkins		84.048	21-0512-C022	18,542
FY22 Perkins Assesment		84.048	22-0512-A022	4,110
FY22 Perkins		84.048	22-0512-B022	<u>197,435</u>
Total - Career and Technical Education - Basic Grants to State				<u>374,583</u>
Education for Homeless Children and Youth	Indiana Department of Education			
FY19 McKinney Vento		84.196	S196A270015	<u>34,126</u>
Total - Education for Homeless Children and Youth				<u>34,126</u>
Twenty-First Century Community Learning Centers	Indiana Department of Education			
21st Century Community Learning Centers		84.287	S287C20014	<u>97,933</u>
Total - Twenty-First Century Community Learning Centers				<u>97,933</u>

(Continued)

MUNCIE COMMUNITY SCHOOLS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2022

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
English Language Acquisition State Grants	Indiana Department of Education			
Title III Part A		84.365	S365A180014	4,316
Title III Part A		84.365	S365A200013	<u>7,835</u>
Total - English Language Acquisition State Grants				<u>12,151</u>
Title II Supporting Effective Instruction State Grants	Indiana Department of Education			
Title II, Part A		84.367	S367A190013	252,512
Title II, Part A		84.367	S367A200013	<u>200,081</u>
Total - Title II Supporting Effective Instruction State Grants				<u>452,593</u>
School Improvement Grants	Indiana Department of Education			
FY21 Title I SIG 1003 (g)		84.377	S377A140016	<u>18,028</u>
Total - School Improvement Grants				<u>18,028</u>
Title IV Student Support and Academic Enrichment Program	Indiana Department of Education			
Title IV Part A		84.424	S424A190015	67,680
Title IV Part A		84.424	S424A200015	<u>140,753</u>
Total - Title IV Student Support and Academic Enrichment Program				<u>208,433</u>
COVID-19 Education Stabilization Fund	Indiana Department of Education			
Elementary and Secondary School Emergency Relief (ESSER I) Fund		84.425D	S425D200013	1,262,835
Elementary and Secondary School Emergency Relief (ESSER II) Fund		84.425D	S425D210013	5,452,284
American Rescue Plan Elementary and Secondary School Emergency Relief (ARP ESSER) Fund		84.425U	S425U210013	<u>758,550</u>
Total - COVID-19 Education Stabilization Fund				<u>7,473,669</u>
Total - Department of Education				<u>14,369,584</u>
<u>Department of Health and Human Services</u>				
Medicaid Cluster	Indiana Department of Education			
Medical Assistance Program		93.778	2021-2022	<u>9,133</u>
Total - Department of Health and Human Services				<u>9,133</u>
Total federal awards expended				<u>\$ 18,567,920</u>

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

**Muncie Community Schools  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2022**

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**NOTE 1 - BASIS OF PRESENTATION**

*A. Basis of Presentation*

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the School Corporation under programs of the federal government for the year ended June 30, 2022. The information in the SEFA 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* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

*B. Other Significant Accounting Policies*

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in 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.

**NOTE 2 - INDIRECT COST RATE**

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

**NOTE 3 - OTHER INFORMATION**

The School Corporation did not have any subrecipient activity for the year ended June 30, 2022.

**NOTE 4 - SPECIAL EDUCATION COOPERATIVE (ALN: 84.027, 84.173)**

The School Corporation is a member of the Delaware Blackford Special Education Cooperative (Cooperative), which operates the special education program for the School Corporation. As a result, some activity for the Special Education Cluster (IDEA) that is presented on the SEFA is not presented as receipts and disbursements in the financial statement for the School Corporation. This activity is reported on the financial statement of the Cooperative.

**Muncie Community Schools  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022**

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**Section I – Summary of Auditor’s Results**

***Financial Statements:***

Type of auditor’s report issued	Unmodified		
Internal control over financial reporting			
Material weakness(es) identified?	_____ Yes	___X___ No	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	___X___ None Reported	
Noncompliance material to financial statement noted?	_____ Yes	___X___ No	

***Federal Awards***

Internal control over major programs			
Material weakness(es) identified?	___X___ Yes	_____ No	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	___X___ None Reported	
Type of auditor’s report issued on compliance for major programs	Qualified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	___X___ Yes	_____ No	

Identification of major programs

<u>Assistance Listing Number</u> 84.425D, 84.425U	<u>Name of Federal Program or Cluster</u> COVID-19 - Education Stabilization Fund
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Dollar threshold used to distinguish between Type A and Type B programs \$ 750,000

Auditee qualified as low-risk auditee?	_____ Yes	___X___ No
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**Section II – Financial Statement Findings**

None.

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(Continued)

**Muncie Community Schools  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022**

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**Section III – Federal Award Findings and Questioned Costs**

**Finding 2022-001**

**Information on the federal program:**

Subject: Education Stabilization Fund – Special Tests and Provisions - Wage Rate Requirements  
Federal Agency: Department of Education  
Federal Program: COVID-19 - Education Stabilization Fund  
Assistance Listing Number: 84.425D, 84.425U  
Pass-Through Entity: Indiana Department of Education  
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements  
Audit Findings: Material Weakness, Material Noncompliance

**Criteria:** 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

29 CFR 5.5 states in part:

a. The Agency head shall cause or require the contracting officer to insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in §5.1, the following clauses...

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics...

(3)(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency).

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(Continued)

**Muncie Community Schools  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022**

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**Section III – Federal Award Findings and Questioned Costs** (Continued)

2 CFR 200 Appendix II states in part:

In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . .”

**Condition:** An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements. The School Corporation did not obtain the weekly payroll reports certifications from a construction company and its subcontractors for a building project.

**Cause:** The School Corporation’s management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

**Effect:** The failure to design and implement an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirement could result in the loss of future federal funds to the School Corporation.

**Questioned Costs:** There were no questioned costs identified.

**Context:** The School Corporation did not have an internal control designed to collect the weekly payroll reports certifications from a construction company and its subcontractors for a building project. The construction payments represented 49% of the Education Stabilization Fund expenditures for the audit period. Therefore, no review was performed to ensure that pay rates complied with the federal wage rate requirements. The construction contracts did include clauses for federal wage rate requirements.

**Identification as a repeat finding:** No.

**Recommendation:** We recommend the School Corporation implement a formal process to ensure the required weekly payroll reports certifications are collected and reviewed to ensure compliance with the wage rate requirements.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and has prepared a corrective action plan.



# MUNCIE COMMUNITY SCHOOLS

Admin Offices  
4301 S Cowan Rd  
Muncie, IN 47302  
765-747-5222 office

March 13, 2023

## SBOA Corrective Action Plan Template

### CORRECTIVE ACTION PLAN FOR 2022-001- Payroll / Wage Testing

<b>Report period:</b>	<i>July 1, 2021 to June 30, 2022</i>
<b>Title of result and comment:</b>	<i>Internal Control testing for compliance with the Federal Davis-Bacon payroll compliance act on the federal ESSER funded construction projects.</i>
<b>Contact Person Responsible for Corrective Action:</b>	<i>Bradley T. DeRome, CFO / Treasurer, Muncie Community Schools, Muncie, INDIANA.</i>
<b>Contact's Phone Number:</b>	<i>765-747-5222 office</i>
<b>Contact's E-Mail Address:</b>	<i>Brad.DeRome@muncieschools.org</i>
<b>View of Responsible Official:</b>	<i>We agree with the presented finding.</i>
<b>Description of Corrective Action Plan:</b>	<i>The school corporation will review the presented payroll data with each pay application to ensure compliance with the federal Davis-Bacon wage act as it relates to prevailing wages on the federally funded construction project.</i>
<b>Anticipated Completion Date:</b>	<i>We are now receiving payroll data from the construction company which lists the payroll from the sub contractors for each pay application.</i>
<b>If applicable: Document reason issue will NOT be corrected within 6 months:</b>	<i>N/A</i>



# MUNCIE COMMUNITY SCHOOLS

**Admin Offices**  
**4301 S Cowan Rd**  
**Muncie, IN 47302**  
**765-747-5222 office**

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2021-001**

Subject: Internal Control Over Financial Reporting

#### 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

Status: Resolved, the Rain-Day Fund was reported as part of the Education (General) Fund for the FY22 financial statements.