



# GAAP FINANCIAL REPORT

MUNCIE COMMUNITY SCHOOLS,  
INDIANA

FISCAL YEAR ENDED JUNE 30, 2019

BRAD DEROME, TREASURER

FILED  
12/04/2019

GAAP Financial Report

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## SCHEDULE OF OFFICIALS

Office	Official	Term
Treasurer	Robert Coddington Brad DeRome	05-11-17 to 12-09-18 12-10-18 to 06-30-20
Superintendent of Schools	Dr. Steven Baule Stephen Edwards (interim)	07-01-16 to 06-30-18 07-01-18 to 06-30-19
Director of Public Education and Chief Executive Officer	Dr. Lee Ann Kwiatkowski, Ed.D.	07-01-19 to 06-30-20
President of the School Board	Deborah Feick James Williams	01-01-17 to 06-30-18 07-01-18 to 06-30-20
-		



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**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF THE MUNCIE COMMUNITY SCHOOLS, CITY OF MUNCIE, INDIANA

**Report on the Financial Statements**

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, 2019, and the related notes to the financial statements, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents.

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

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and qualified opinions.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Qualified Opinion on the Governmental Activities***

The contribution from the State of Indiana (State) as the nonemployer contributing entity for the Pre-1996 Teachers' Retirement Fund plan of \$9,078,765 and associated expense and the Net Pension Liability disclosed in the notes to the financial statements of \$107,531,220 were obtained from the Schedule of Allocation of Pension Expense by Employer published by the Indiana Public Retirement System that had not been opined upon nor could we perform any auditing procedures to ascertain that this information is fairly stated. The contribution from the State is included in the School Corporation's basic financial statements and represent 12.8 percent and 11.4 percent of the revenues and expenses, respectively, reported on the Statement of Activities. The Total Net Position is not affected by this amount nor the Net Pension Liability disclosed in the notes to the financial statements as the State is assuming 100 percent of the liability allocated to the School Corporation.

***Qualified Opinion on the Governmental Activities***

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on the Governmental Activities* paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the government activities of the School Corporation, as of June 30, 2019, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Unmodified Opinions***

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund, and aggregate remaining fund information of the School Corporation, as of June 30, 2019, 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.

***Other Matters***

***Required Supplementary Information***

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)


*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying combining nonmajor fund statements and combining fiduciary fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund statements and combining fiduciary fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund statements and combining fiduciary fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2019, on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School Corporation's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

October 16, 2019

## Management's Discussion and Analysis

As management of Muncie Community Schools, Indiana, we offer readers of Muncie Community Schools' financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### Financial Highlights

- Total assets and deferred outflows of Muncie Community School exceeded its liabilities and deferred inflows by \$27,028 (reported as net position). Of this amount, (\$26,072) was reported as "unrestricted net position."
- As of the close of the current fiscal year, Muncie Community Schools' governmental funds reported a combined ending fund balance of \$35,680.
- At the end of the current fiscal year, the fund balance for the operations fund was \$833 which represented 11.8% of the total operations fund expenditures, excluding transfers out.
- Muncie Community Schools' total bond related debt during the current fiscal year was \$39,783.

### 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 (business-type activities). 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 13-14 of this report.

**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 110 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 General Fund, Education Fund, Debt Service Fund, Operations Fund, 2018/20 Spec-Ed 611 Pass-Thru, and 2014 GO Construction Bond Fund. Data for 104 Muncie Community Schools governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report. Muncie Community Schools adopts an annual appropriated budget for its general fund, certain special revenue funds, debt service funds and certain capital projects funds. Budgetary comparison schedules have been provided for the general fund and major special revenue funds in the required supplementary information and for the other funds subsequent to the combining non-major fund information, as other information, to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 15-17 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 18-21 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 page 22-23 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 24-54 of this report.

Required supplementary information can be found on pages 55-64 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Muncie Community Schools' budgets for its major funds as well as reconciliation between the budget schedules and fund financial statements. In

addition, Muncie Community Schools' progress in funding its obligation to provide pension and other post-employment benefits to certain employees is included as supplementary information.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules found on pages 65-96 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 \$27,028, at the close of the most recent fiscal year.

The largest portion, \$35,990 (133.2%) 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, 2019

	Governmental-Type Activities As of June 30, 2019
Current and other assets	\$ 38,137
Capital assets	<u>48,798</u>
Total assets	<u>86,935</u>
Deferred outflow of resources	<u>3,649</u>
Long-term liabilities outstanding	55,510
Other liabilities	<u>3,285</u>
Total liabilities	<u>58,795</u>
Deferred inflow of resources	<u>4,760</u>
Net investment in capital assets	17,110
Restricted	35,990
Unrestricted	<u>(26,072)</u>
Total net position	<u>\$ 27,028</u>

An additional portion of Muncie Community Schools' net position, \$17,110 (63.3%), 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, Muncie Community Schools can report a positive balance in 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

Description	Governmental Activities Fiscal Year Ended June 30, 2019
Revenues:	
Program Revenues:	
Charges for Services	\$ 1,484
Operating Grants and Contributions	10,895
Capital Grants and Contributions	15
General Revenues:	
Taxes:	
Property	10,431
Other	1,182
State aid	40,897
Grants and contributions not restricted to a specific program	3,556
Contributions	9,079
Other	2,340
Total Revenues	<u>79,879</u>
Expenses:	
Instruction	41,673
Support Services	19,769
Community Services	2,896
Facilities Acquisition and Construction	345
Interest on Long Term Debt	603
Nonprogrammed Charges	5,415
Total Expenses	<u>70,701</u>
Change in net position	9,178
Net position - beginning	<u>17,850</u>
Net Position at June 30	<u>\$ 27,028</u>

Muncie Community Schools' net position from governmental activities, including the statement of net position is \$27,028 for the fiscal year ended June 30, 2019. Notable governmental activities revenues and expenses for the fiscal year included the following:

- Charges for services reported a total amount of \$1,484.
- Operating grants and contributions reported a total amount of \$10,895.

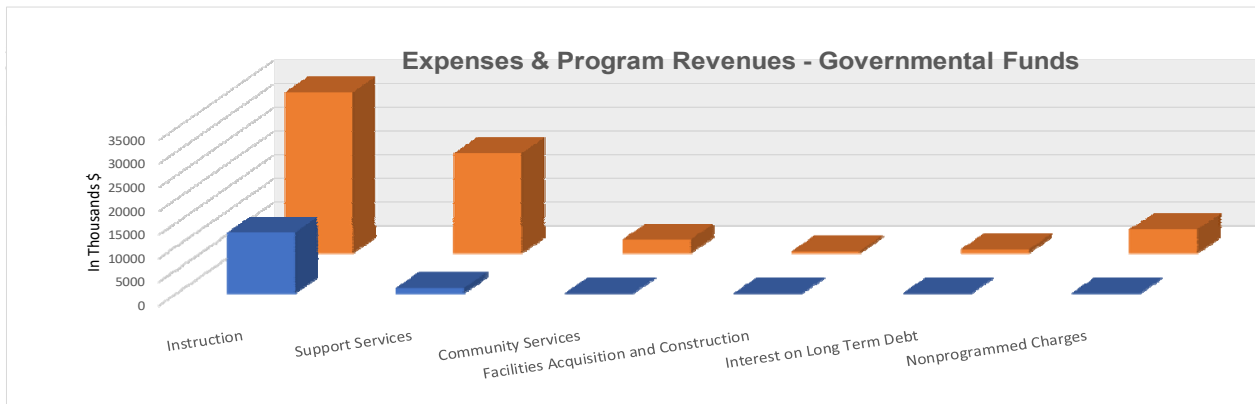
- Property and other tax revenues are \$10,431 and \$1,182, respectively.
- State aid reported a total amount of \$40,897.
- Contributions from nonemployer entity of \$9,079
- Expenses from Instruction reported a total amount of \$41,673.
- Support services expenses reported a total amount of \$19,769.
- Community services expenses reported a total amount of \$2,896.

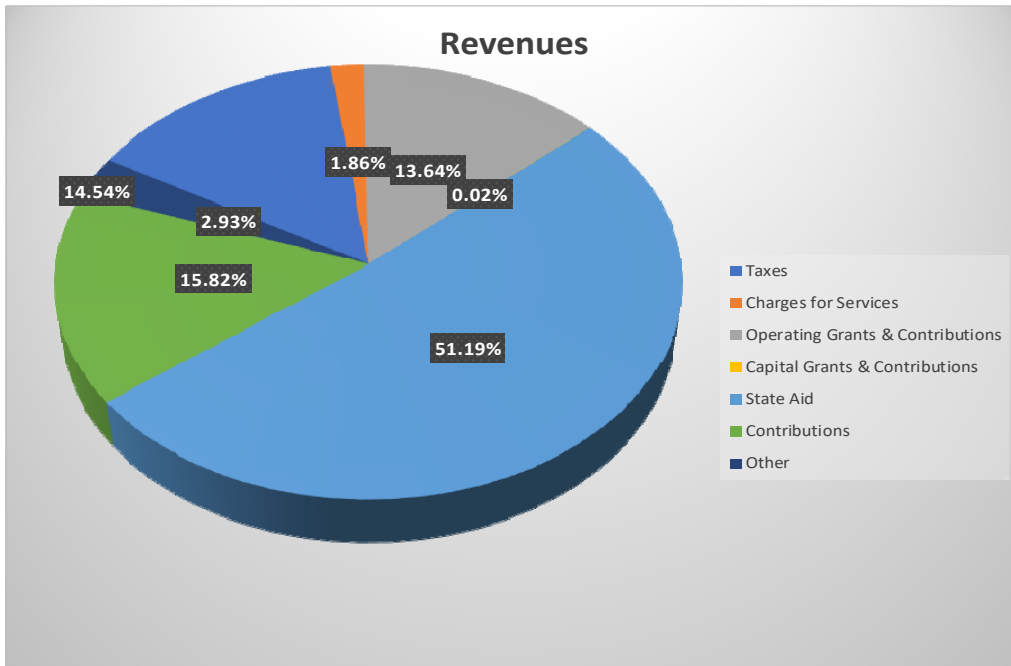
Muncie Community Schools' overall cash and investments position, \$29,635 increased from \$15,503 in the fiscal year ended June 30, 2018. Muncie Community Schools' property tax rate for 2019 is \$1.1487 per \$100 of assessed value a decrease of \$0.0769 from 2018.

### Program Revenue and Expenses – Governmental Activities

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

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





### Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of Muncie Community Schools' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Muncie Community Schools' financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, Muncie Community Schools' governmental funds reported combined ending fund balances of \$35,680. Muncie Community Schools implemented GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions". Fund balances are the differences between assets and liabilities in a governmental fund. The standard requires 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.

Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund.

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

As of the end of the current fiscal year, Muncie Community Schools' governmental funds reported combined ending fund balances of \$35,680. The fund balance has restricted fund balance of \$33,334, committed fund balance of \$2,655, and unassigned fund balance of (\$309). (See Note 3G on pages 37-38)

The operations fund is the chief operating fund of Muncie Community Schools. The fund balance of Muncie Community Schools' operations fund is \$833 during the current fiscal year. Key factors are as follows:

- Expenditures exceeded revenues by \$4,093, excluding other financing sources and uses.
- Major sources of revenue include local sources (\$2,941) and transfers (\$5,379).
- Major expenditures include support services (\$6,966).

The education fund is also a major fund for the current fiscal year. The fund balance for this major fund is \$13,385. The expenditures include instruction of \$13,541, support services of \$2,853, and community services of \$107.

### **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.

Differences between the original budget and the final budget included a \$11,445 increase in appropriations that are summarized as follows:

- The final budget for the general fund increased \$11,445 from the original budget approved by the Department of Local Government Finance. General government increased \$10,009 for personal services, \$152 for supplies, and \$1,284 for other services and charges.
- During the year on a budgetary basis, revenue exceeded expenditures, excluding other financing sources (uses) for general fund in the amount of \$6,372.

### **Capital Asset and Debt Administration**

**Capital assets.** Muncie Community Schools' investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$48,798 (net of accumulated depreciation). This investment in capital assets includes, land, construction in progress, 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 (Note 1D.5.).

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

- Construction in progress expenditures totaling \$1,079 related to projects for the fieldhouse.

The following table displays Muncie Community Schools' capital assets.

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

Description	Governmental-Type Activities	
	2019	2018
Land	\$ 475	\$ 475
Construction in progress	1,079	-
Buildings	87,185	87,158
Improvements other than buildings	3,058	3,058
Machinery and equipment	3,939	3,771
Total Capital Assets	95,736	94,462
Accumulated Depreciation	(46,938)	(45,017)
Net Capital Assets	<u>\$ 48,798</u>	<u>\$ 49,445</u>

**Long-term debt.** At the end of the current fiscal year, Muncie Community Schools had total long-term debt related liabilities outstanding of \$55,509. The following table details the school's debt. Additional information of the school's debt can be found in the notes to the financial statements.

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

Description	Governmental-Type Activities	
	2019	2018
General obligation	\$ 39,783	\$ 43,412
Loan payable	12,000	9,000
Compensated absences	411	1,283
Net pension liabilities	3,315	8,009
Totals	<u>\$ 55,509</u>	<u>\$ 61,704</u>

The school received a loan of \$12,000 in fiscal year 2019. Debt decreases during the year primarily are due to debt repayment being more than new debt added in 2019.

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

Muncie Community Schools adopted GASB Statement Number 68 which requires the recognition of its long-term obligation for pension benefits as a liability. Muncie Community Schools recognized a Net Pension Liability as of June 30, 2019 of \$3,315. Additional information on the pension plans can be found in the notes to the financial statements.

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

- The 2019 tax rates for Muncie Community Schools decreased .0769 to a rate of 1.1487 per \$100 in assessed value in 2019. Overall Muncie Community Schools' assessed value decreased by 4.20% from 2018 to 2019.

All the above factors were considered in preparing Muncie Community Schools' budget for the 2019 calendar year.

### **Request for Information**

This financial report is designed to provide a general overview of Muncie Community Schools' finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Muncie Community Schools Business Manager, 2500 N. Elgin St., Muncie, IN 47303.

# MUNCIE COMMUNITY SCHOOLS

## STATEMENT OF NET POSITION As of June 30, 2019

	Governmental Activities
<b>ASSETS</b>	
Cash and investments	\$ 29,634,619
Receivables (net)	
Taxes receivable	4,519,780
Intergovernmental receivable	3,396,124
Accounts	405,361
Prepaid	181,064
Capital Assets	
Land and construction in progress	1,554,248
Other capital assets, net of depreciation	<u>47,243,487</u>
Total Assets	<u>86,934,684</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related amounts	<u>3,648,579</u>
<b>LIABILITIES</b>	
Accounts payable	826,583
Accrued wages	1,398,803
Interest payable	503,828
Compensated absences	137,157
Claims payable	418,782
Noncurrent Liabilities	
Due within one year	
Bonds payable due within one year	3,245,000
Due in more than one year	
Loans payable	12,000,000
Bonds payable (net of premiums)	36,538,289
Compensated absences	411,470
Net pension liability	<u>3,314,845</u>
Total Liabilities	<u>58,794,757</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related amounts	<u>4,760,243</u>
<b>NET POSITION</b>	
Net investment in capital assets	17,110,215
Restricted for:	
Instruction	14,665,947
Support services	1,500,067
Community services	816,102
Building acquisition and construction	8,715,769
Debt service	10,292,360
Unrestricted	<u>(26,072,197)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 27,028,263</u>

See accompanying notes to financial statements.

**MUNCIE COMMUNITY SCHOOLS**

STATEMENT OF ACTIVITIES  
For the year ended June 30, 2019

<b>Functions/Programs</b>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Totals</u>
Governmental Activities:						
Instruction	\$ 41,672,917	\$ 859,514	\$ 10,431,585	\$ -	\$ (30,381,818)	\$ (30,381,818)
Support services	19,768,747	624,660	463,701	-	(18,680,386)	(18,680,386)
Community services	2,894,497	-	-	-	(2,894,497)	(2,894,497)
Facilities acquisition and construction	345,269	-	-	-	(345,269)	(345,269)
Interest on long term debt	603,050	-	-	-	(603,050)	(603,050)
Nonprogrammed charges	5,415,533	-	-	15,053	(5,400,480)	(5,400,480)
Total Governmental Activities	<u>70,700,013</u>	<u>1,484,174</u>	<u>10,895,286</u>	<u>15,053</u>	<u>(58,305,500)</u>	<u>(58,305,500)</u>
General Revenues:						
Property taxes					10,430,725	10,430,725
Other taxes					1,181,974	1,181,974
State aid					40,896,747	40,896,747
Grants and contributions not restricted to specific programs					3,555,664	3,555,664
Investment income					133,820	133,820
Nonemployer entity contributions					9,078,765	9,078,765
Miscellaneous					2,153,281	2,153,281
Gain on disposal of assets					18,264	18,264
Transfers					34,638	34,638
Total General Revenues and Transfers					<u>67,483,878</u>	<u>67,483,878</u>
<b>Change in Net Position</b>					9,178,378	9,178,378
NET POSITION - Beginning of Year					<u>17,849,885</u>	<u>17,849,885</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 27,028,263</u>	<u>\$ 27,028,263</u>

See accompanying notes to financial statements.

**MUNCIE COMMUNITY SCHOOLS**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of June 30, 2019

	General Fund	Education Fund	Debt Service Fund	Operations Fund	2018/20 Spec Ed 611 Pass-Thru	2014 GO Construction Bond Fund	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>								
Cash and investments	\$ -	\$ 11,088,983	\$ 3,728,924	\$ 811	\$ 321,425	\$ 8,095,769	\$ 6,349,053	\$ 29,584,965
Receivables								
Taxes	-	-	3,433,138	1,086,642	-	-	-	4,519,780
Intergovernmental	-	3,258,254	-	-	-	-	137,870	3,396,124
Accounts	-	120,360	-	-	-	-	285,001	405,361
Restricted cash	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 14,467,597</b>	<b>\$ 7,162,062</b>	<b>\$ 1,087,453</b>	<b>\$ 321,425</b>	<b>\$ 8,095,769</b>	<b>\$ 6,771,924</b>	<b>\$ 37,906,230</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
Liabilities								
Accounts payable	-	30,984	-	205,194	240,306	-	350,099	826,583
Accrued wages	-	1,051,449	-	49,623	-	-	297,731	1,398,803
Total Liabilities	-	1,082,433	-	254,817	240,306	-	647,830	2,225,386
Fund Balances								
Restricted	-	13,385,164	7,162,062	-	81,119	8,095,769	4,610,556	33,334,670
Committed	-	-	-	-	-	-	2,655,575	2,655,575
Unassigned (deficit)	-	-	-	832,636	-	-	(1,142,037)	(309,401)
Total Fund Balances (Deficit)	-	13,385,164	7,162,062	832,636	81,119	8,095,769	6,124,094	35,680,844
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 14,467,597</b>	<b>\$ 7,162,062</b>	<b>\$ 1,087,453</b>	<b>\$ 321,425</b>	<b>\$ 8,095,769</b>	<b>\$ 6,771,924</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 2.A.	48,797,736
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	(369,128)
Some assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	181,064
Deferred outflows and deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(1,111,664)
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	(1,052,455)
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 2.A.	(55,098,134)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 27,028,263**

See accompanying notes to financial statements.

**MUNCIE COMMUNITY SCHOOLS**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
For the year ended June 30, 2019

	General Fund	Education Fund	Debt Service Fund	Operations Fund	2018/20 Spec Ed 611 Pass-Thru	2014 GO Construction Bond Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Local sources	\$ 303,672	\$ 2,525,047	\$ 3,791,360	\$ 2,941,195	\$ -	\$ -	\$ 8,046,666	\$ 17,607,940
Intermediate sources	48	48	-	-	-	-	750	846
State sources	16,759,168	23,136,583	-	-	-	-	1,015,129	40,910,880
Federal sources	-	-	-	-	3,133,287	-	8,279,214	11,412,501
Other	116,929	1,348	-	-	-	-	51,962	170,239
<b>Total Revenues</b>	<u>17,179,817</u>	<u>25,663,026</u>	<u>3,791,360</u>	<u>2,941,195</u>	<u>3,133,287</u>	<u>-</u>	<u>17,393,721</u>	<u>70,102,406</u>
<b>EXPENDITURES</b>								
Current								
Instruction	10,971,254	13,540,851	-	-	1,888,517	-	6,696,029	33,096,651
Support Services	5,011,702	2,853,471	-	6,966,436	-	-	6,817,668	21,649,277
Community services	113,767	106,500	-	-	-	-	2,674,230	2,894,497
Facilities acquisition and construction	-	-	-	67,570	-	1,079,398	472,772	1,619,740
Nonprogrammed charges	68,943	-	-	-	-	-	2,412,056	2,480,999
Debt Service								
Principal paid on debt	6,709,000	-	605,000	-	-	-	5,266,000	12,580,000
Interest on debt	-	-	598,597	-	-	-	1,075,308	1,673,905
<b>Total Expenditures</b>	<u>22,874,666</u>	<u>16,500,822</u>	<u>1,203,597</u>	<u>7,034,006</u>	<u>1,888,517</u>	<u>1,079,398</u>	<u>25,414,063</u>	<u>75,995,069</u>
Excess (deficiency) of revenues over (under) expenditures	(5,694,849)	9,162,204	2,587,763	(4,092,811)	1,244,770	(1,079,398)	(8,020,342)	(5,892,663)
<b>OTHER FINANCING SOURCES (USES)</b>								
Debt proceeds	-	12,000,000	-	-	-	-	-	12,000,000
Sale of city property	690	-	-	17,490	-	-	84	18,264
Transfers in	4,557,032	13,491	470,962	5,378,919	-	-	7,755,262	18,175,666
Transfers out	(1,693,979)	(7,790,531)	(4,219,257)	(470,962)	(1,163,651)	-	(2,802,647)	(18,141,027)
<b>Total Other Financing Sources (Uses)</b>	<u>2,863,743</u>	<u>4,222,960</u>	<u>(3,748,295)</u>	<u>4,925,447</u>	<u>(1,163,651)</u>	<u>-</u>	<u>4,952,699</u>	<u>12,052,903</u>
<b>Net change in fund balances</b>	(2,831,106)	13,385,164	(1,160,532)	832,636	81,119	(1,079,398)	(3,067,643)	6,160,240
FUND BALANCES (DEFICIT) - Beginning of Year								
	2,831,106	-	8,322,594	-	-	9,175,167	9,191,737	29,520,604
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ -</u>	<u>\$ 13,385,164</u>	<u>\$ 7,162,062</u>	<u>\$ 832,636</u>	<u>\$ 81,119</u>	<u>\$ 8,095,769</u>	<u>\$ 6,124,094</u>	<u>\$ 35,680,844</u>

See accompanying notes to financial statements.

## MUNCIE COMMUNITY SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the year ended June 30, 2019

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Net change in fund balances - total governmental funds	\$ 6,160,240
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.	(646,169)
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.	628,968
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	2,878,198
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.	12,750
Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>144,391</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u><u>\$ 9,178,378</u></u></b>

See accompanying notes to financial statements.

# MUNCIE COMMUNITY SCHOOLS

## STATEMENT OF NET POSITION - PROPRIETARY FUND As of June 30, 2019

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	<u>Internal Service</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and investments	<u>49,654</u>
Total Assets	<u>49,654</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	
<b>CURRENT LIABILITIES</b>	
Claims payable	<u>\$ 418,782</u>
Total Current Liabilities	<u>418,782</u>
<b>NET POSITION</b>	
Unrestricted	<u>(369,128)</u>
<b>TOTAL NET POSITION</b>	<u>\$ (369,128)</u>

See accompanying notes to financial statements.

## MUNCIE COMMUNITY SCHOOLS

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

For the year ended June 30, 2019

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	<u>Internal Service</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 71,524
Other	<u>572,796</u>
Total Operating Revenues	<u>644,320</u>
<b>OPERATING EXPENSES</b>	
Health and dependent care costs	<u>\$ 499,929</u>
Total Operating Expenses	<u>499,929</u>
Operating Income	<u>144,391</u>
<b>Change in Net Position</b>	144,391
NET POSITION - Beginning of Year	<u>(513,519)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ (369,128)</u>

See accompanying notes to financial statements.

## MUNCIE COMMUNITY SCHOOLS

### STATEMENT OF CASH FLOWS - PROPRIETARY FUND

For the year ended June 30, 2019

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	<u>Internal Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from customers	\$ 646,644
Payments for interfund services used	<u>(613,058)</u>
Net Cash Flows From Operating Activities	<u>33,586</u>
<b>Net Change in Cash and Cash Equivalents</b>	33,586
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>16,068</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 49,654</u>

See accompanying notes to financial statements.

**MUNCIE COMMUNITY SCHOOLS**

**STATEMENT OF CASH FLOWS -  
PROPRIETARY FUND**

For the year ended June 30, 2019

---

	<u>Internal Service</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 144,391
Adjustments to Reconcile Operating Income to	
Accounts payable	<u>(110,805)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b><u>\$ 33,586</u></b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION</b>	
Cash and investments	<u>\$ 49,654</u>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b><u>\$ 49,654</u></b>

See accompanying notes to financial statements.

## MUNCIE COMMUNITY SCHOOLS

### STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS As of June 30, 2019

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	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 452,979	\$ 119,206
<b>TOTAL ASSETS</b>	<u>\$ 452,979</u>	<u>\$ 119,206</u>
<b>LIABILITIES</b>		
Due to other taxing units	<u>-</u>	<u>119,206</u>
<b>TOTAL LIABILITIES</b>	<u>\$ -</u>	<u>\$ 119,206</u>
<b>NET POSITION</b>		
Restricted for trusts	<u>\$ 452,979</u>	
<b>TOTAL NET POSITION RESTRICTED FOR TRUSTS</b>	<u>\$ 452,979</u>	

See accompanying notes to financial statements.

## MUNCIE COMMUNITY SCHOOLS

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS As of June 30, 2019

	Private Purpose Trust Funds
<u>Additions</u>	
Student receipts	\$ 813,940
Faculty receipts	11,565
Athletic receipts	189,020
Fundraisers	34,041
Other	129,893
	-
Total additions	1,178,459
<u>Deductions</u>	
Student activities	895,438
Support services	137,149
Instruction	32,248
Other	118,178
Total deductions	1,183,013
Changes in net position	(4,554)
Net position restricted for trusts - beginning	457,533
Net position restricted for trusts - ending	\$ 452,979

**MUNCIE COMMUNITY SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2019

**Note 1. Summary of Significant Accounting Policies**

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

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

The accompanying financial statements present the financial information for the School Corporation.

Blended Component Units

The Building Corporation of Muncie Schools (Building Corporation) is a significant blended component unit of the primary government. The Building Corporation 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  
2500 N. Elgin St.  
Muncie, IN 47303

Joint Venture

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

B. Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

**MUNCIE COMMUNITY SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2019

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. 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 properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the period in which the tax levy and rates are certified, which is the period for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the primary government considers revenues to be available if they are collected within sixty days of the end of the current calendar period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgements, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current calendar period are all considered to be susceptible to accrual and have been recognized as revenues of the current calendar period. All other revenue items are considered to be measurable and available only when the primary government receives cash.

The primary government reports the following major governmental funds:

The General fund was the primary operating fund. It accounted for all financial resources of the general government, except those required to be accounted for in another fund. Beginning January 1, 2019 the General Fund was closed due to a change in Indiana law.

The Education fund accounts for all financial resources of the general government related to education of students.

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

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

**MUNCIE COMMUNITY SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2019

2014 GO Construction Bond Fund. It accounts for the financial resources to provide capital improvements to the school corporation through general obligation bond proceeds.

2018-20 Special Education 611 Pass-Thru. It accounts for the financial resources from the special education grant.

Additionally, the primary government reports the following fund types:

The Internal Service Fund accounts for health and dependent care cost provided to other departments on a cost-reimbursement basis.

The primary government combines nonmajor government funds into a single column on the fund financial statements. Reporting for individual nonmajor funds is found in the combining statements.

Agency funds account for assets held by the primary government as an agent for various individuals and organizations. Twenty-nine agency funds are maintained by the County, the majority of which account for the collection and distribution of various taxes and fees.

The Fiduciary Fund accounts for assets held as an agent on behalf of others and are reported as an Agency Fund. The Agency Fund's assets cannot be used to support the School's own programs. The Agency Fund is custodial in nature and does not present results of operations or have a measurement focus. The Private Purpose Trust Fund's are used to support the School's own programs at the individual school level.

Private purpose trust funds account for the activities of the various schools within the school district.

As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to students and parents for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues reported for the various functions concerned.

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

**D. Assets, Liabilities and Net Position**

**1. Deposits and Investments**

The primary government'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.

**MUNCIE COMMUNITY SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2019

Investments are carried at fair value. Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

2. Interfund Transactions and Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivable/payables" (i.e., the current and noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "interfund services provided/used."

3. Property taxes

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and December. State statutes (IC 6-1.1-17-16) requires the Department of Local Government Finance to certify property tax rates and levies by February 15. These rates are 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 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. Delinquent property taxes outstanding at year-end for governmental and/or proprietary funds, net of allowances for uncollectible accounts, are recorded as a receivable with an offset to unearned revenue.

4. Inventories and Prepaid Items

The assets for materials and supplies at fiscal year-end are considered immaterial by management and have not been recognized. The costs of governmental fund type inventories are recorded as expenditures or expenses when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements under the purchase method. Prepaid expenditures are not recorded as an asset in the fund financial statements.

5. Capital assets

Capital assets, which include property, plant and equipment are reported in the applicable governmental column in the government-wide financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at acquisition value as of the date of acquisition.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the government-wide statements are as follows:

**MUNCIE COMMUNITY SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2019

	<u>Capitalization</u> <u>Threshold</u>	<u>Depreciation</u> <u>Method</u>	<u>Estimated</u> <u>Useful Life</u>
Land	\$ 10,000	N/A	N/A
Buildings and improvements	10,000	Straight-line	30 years
Land improvements	10,000	Straight-line	15 years
Machinery and equipment	10,000	Straight-line	3-10 years
Vehicles	10,000	Straight-line	5-12 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

6. **Compensated Absences**

Teachers earn sick and personal 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 6/30/2018 and 15 years of service for employees hired after 6/30/18 upon retirement.

Full-time (6+ hours per day) Support Personnel will be granted eight (8) sick days per year to be used for personal illness, family illness, medical, dental or vision appointments. Support Personnel who are assigned to twelve (12) month appointment shall be granted ten (10) sick days per year. Full-time (6+ hours per day) Support Personnel shall be granted three (3) working days for personal leave. For eligible hour employees hired after July 31, 2015, eight (8) sick days will be granted, and no personal days or holidays will be given. Unused leave will accumulate for sick leave benefits. Unused sick days may accumulate to a total equal to the number of days indicated on the employee's assignment. Upon resignation, Support Personnel with a minimum of ten (10) years of service with the Muncie Community Schools shall receive forty dollars (\$40) for each unused sick leave day. Support Personnel employed on a full-time basis (12 months) who have been employed for zero (0) to five (5) consecutive years earn ten (10) vacation days with pay per year. Individuals who have been employed six (6) to ten (10) consecutive years earn fifteen (15) vacation days with pay per year.

Twelve-month administrators are granted 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.

7. **Unearned Revenues**

Unearned revenues are those liabilities for resources obtained prior to revenue recognition.

**MUNCIE COMMUNITY SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2019

8. Long-Term Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

For bond refundings resulting in the defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as a deferred inflow of resources or a deferred outflow of resources respectively, on the statement of net position.

9. Encumbrances

Contracts and purchasing commitments are reported as encumbrances when the contract or purchase order is executed. When the terms of the purchase order or contract have been fulfilled and payment to the contracting party is due, the encumbrance is liquidated, and the liability and expenditure are recorded. Encumbrances remaining at fiscal year-end are reported within the restricted, committed or assigned fund balances of the governmental funds. The following shows encumbrances at June 30, 2019.

	<u>Amount</u>
2014 Construction Bond Fund	<u>\$ 4,689,239</u>

10. 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 and the Teachers' Retirement 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.

11. Deferred Outflows and Deferred Inflows

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future reporting periods and so will not be recognized as an outflow of resources (expense/expenditure/reduction of liability) until then. The government has one item that qualifies for reporting in this category. The deferred outflows for pension items.

In addition to liabilities, the Statement of Net Position and Balance Sheet-Governmental Funds reports a separate section for deferred inflows of resources. This separate financial statement

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element represents an acquisition of net position that applies to future reporting periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has two types of items, one, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resource in the period that the amounts become available. The second deferred inflow is for the pension items.

12. Net Position/Fund Balance

The government-wide and proprietary fund financial statements utilize a net position presentation. The components of net position are categorized as follows:

*Net investment in capital assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in the category.

*Restricted* – This category represents resources that have external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* – This category represents resources of the School not restricted for any project or other purpose.

Fund balance is divided into five classifications based primarily on the extent to which the School is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* – The nonspendable fund balance classification includes amounts that cannot be spent because they are not spendable in form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.

*Restricted* – Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

*Committed* – The committed fund balance classification includes amounts that can be used only for specific purposes imposed by a formal action (ordinance) of the School’s Board. Those committed amounts cannot be used for any other purpose unless the School’s Board removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. The committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

*Assigned* – Amounts in the assigned fund balance classification are intended to be used by the School for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance

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represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts would represent intended uses established by the School Board.

*Unassigned* – Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In the other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

For the fiscal year ended June 30, 2019 the following funds reported a negative fund balance:

Shafer Grant	\$ (18,500)	Pre-Sch CFDA #84.173	\$ (30,560)
George & Frances Ball	(32,745)	2018-19 Adult Basic Education	(21,697)
Community Engagement Council Donations	(22,579)	2017/2019 Title IV	(11,056)
2018-19 Dual Language Immersion Grant	(27,109)	2018-20 Title IV, Pat A Grant	(20,163)
Special Education Student Reimbursement	(14,317)	2018-19 Perkins Grant	(32,746)
2018-19 Title I - YOC	(8,153)	2081-19 MP3 Ball Brothers Grant	(3,979)
2018-19 Title I Basic Grant	(270,332)	2018-19 MP3 United Way Grant	(2,745)
2015/2016 Title I Basic Grant	(40,565)	2018-19 MP3 Xstream Grant	(8,992)
2018-19 Special Ed Preschool	(2,666)	2016/2018 Title II-A Impr Teach	(269)
2017/18 Special Ed. IDEA Muncie	(29,455)	2017/2019 Title II-A Impr Teach	(33,484)
2018/19 Special Ed. IDEA Muncie	(348,334)	2018/2020 Title II Grant	(2,778)
2016/17 IDEA Pass Thru Coop 611	(6,628)	Fieldhouse Repairs	(103,901)
FY 2018 Part B 611 COOP PT E'nd	(48,284)		

The school applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any unrestricted fund balance classification could be used.

### 13. Use of estimates

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

### 14. Future Adoption of Accounting Pronouncements

GASB has issued Statement No. 81, *Irrevocable Split-Interest Agreements*; Statement No. 82, *Pension Issues*; Statement No. 83, *Certain Asset Retirement Obligations*; Statement No. 84, *Fiduciary Activities*; Statement No. 85, *Omnibus 2017*; Statement No. 86, *Certain Debt Extinguishment Issues*; and Statement No. 87, *Leases*. The School intends to implement these GASB Statements, as applicable, on their respective effective dates.

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**Note 2. Reconciliation of Government-Wide and Fund Financial Statements**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

1. The governmental fund balance sheet includes a reconciliation between the fund balance-total governmental funds and net position - governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and, therefore, not reported in the funds statements." The details of this difference are as follows:

Capital Assets, not being depreciated:	
Land	\$ 474,850
Construction in Progress	1,079,398
Sub-total	1,554,248
Capital Assets, being depreciated (net of depreciation):	
Buildings	45,988,144
Improvements other than buildings	687,900
Machinery and equipment	567,444
Sub-total	47,243,488
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 48,797,736

2. Another element of that reconciliation explains that "Other liabilities, compensated absences and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this difference are as follows:

Compensated absences payable within one year	\$ 137,157
Compensated absences payable in more than one year	411,470
Interest payable	503,828
Net adjustment to decrease fund balance - total governmental funds to arrive at net position - governmental activities	\$ 1,052,455

3. Another element of that reconciliation explains that "other revenue is deferred in the fund statements but is available as a source of revenue in the governmental type activities in the Statement of Net Position."

Prepaid expenses	\$ 181,064
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$ 181,064

3. Another element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds."

Loan payable	\$ 12,000,000
Bonds payable	\$ 39,635,000
Unamortized bond premium/discount	148,289
Net pension liability	3,314,845
Total	\$ 55,098,134

4. Another element of that reconciliation explains that "deferred items, including unamortized gain/loss on refunding and deferred pension items are not due and payable in the current period, and, therefore, are not reported in the funds."

Deferred pension outflows	\$ 3,648,579
Deferred pension inflows	(4,760,243)
Total	\$ (1,111,664)

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**B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenses and Changes in Fund Balances and the Government-Wide Statement of Activities**

1. The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net position of governmental activities, as reported in the government-wide statement of net activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those additions are allocated over their useful lives and reported as depreciation." The details of this difference are as follows:

Capital outlay per fund statements	\$ 1,601,154
Capital items posted to non capital accounts	(307,797)
Disposal of assets	(18,586)
Depreciation expense	<u>(1,920,940)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ (646,169)</u>

2. Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while 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, when 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." The details of this difference are as follows:

Principal Repayments:	
General obligation bonds and notes	\$ 3,580,000
Loan repaid	9,000,000
Amortization of bond premium	48,968
Debt Incurred:	
Issuance of loans	<u>(12,000,000)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 628,968</u>

3. Another element of the reconciliation states that "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 the funds statements." The details of this difference are as follows:

Change in compensated absences	\$ 734,752
Change in accrued interest payable	(4,453)
Change in deferred outflows	<u>2,147,899</u>
Net adjustment to decrease net changes in fund balance - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 2,878,198</u>

4. Another element of the reconciliation states that "Some revenues reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as revenues in the funds." The details of this difference are as follows:

Change in prepaid expenses	<u>12,750</u>
Net adjustment to increase net changes in fund balance - total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 12,750</u>

**Note 3. Detailed Notes on All Funds**

**A. Deposits and Investments**

**1. Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. Muncie Community Schools' deposit policy for custodial credit risk is to comply with Indiana Code 5-13-8-1. At June 30, 2019, Muncie Community Schools had a deposit balances in the amount of \$26,623,528. The

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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.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of June 30, 2019, the School did not have any investments.

Statutory Authorization for Investment Policies

Indiana Code 5-13-9 authorized the School to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States treasury, federal agency, federal instrumentality, or federal government sponsored enterprise. Indiana Code also authorized the unit to invest in securities fully guaranteed and issued by a federal agency, federal instrumentality, or federal government sponsored enterprise. These investments are allowed to have a stated final maturity of 2-5 years as long as the total investments within this period do not exceed the total portfolio of funds, including balances in the Schools' transaction accounts.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no load, and management-type investment company or investment trust registered under the provision of the Federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed fifty percent (50%) of the funds held by the School and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities or interest in an investment company or investment trust must be rated as AAA, or its equivalent, by Standard and Poor's Corporation or its successor, or AAA, or if they have not defaulted in the last 20 years by Moody's Investor's Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the School may enter into a repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, A United States of America government agency, an instrumentality of the United States of American, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2019, the school did not own any investments.

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Interest Rate Risk

Interest rate risk is the risk that changes in the interest rates will adversely affect the fair 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.

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.

**B. Receivables**

Receivables are presented net of allowance as follows as of June 30, 2019:

Description	Gross Receivables	Allowance	Net Receivables
Governmental activities:			
Taxes	\$4,519,780	\$ -	\$4,519,780
Accounts	485,981	(80,620)	405,361
Intergovernmental	3,396,124	-	3,396,124

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

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Primary government	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 474,850	\$ -	\$ -	\$ 474,850
Construction in progress	-	1,079,398	-	1,079,398
Total capital assets, not being depreciated	474,850	1,079,398	-	1,554,248
Capital assets, being depreciated:				
Buildings	87,157,798	27,538	-	87,185,336
Improvements other than buildings	3,057,763	-	-	3,057,763
Machinery and equipment	3,770,914	167,834	-	3,938,748
Total	93,986,475	195,372	-	94,181,847
Less accumulated depreciation for:				
Buildings	39,613,003	1,584,189	-	41,197,192
Improvements other than buildings	2,267,141	102,721	-	2,369,862
Machinery and equipment	3,137,276	234,030	-	3,371,306
Total	45,017,420	1,920,940	-	46,938,360
Total capital assets, being depreciated, net	48,969,055	(1,725,568)	-	47,243,487
Total governmental activities capital assets, net	\$49,443,905	\$ (646,170)	\$ -	\$48,797,735

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
Nonprogrammed charges	<u>\$1,920,940</u>

D. Construction Commitments

Construction in progress is composed of the following:

Project	Total Project Authorized	Expended to June 30, 2019	Remaining Commitments
<b>Governmental activities:</b>			
Mechanical Equipment & Controls Replacement	\$ 5,768,637	\$ 1,079,398	\$ 4,689,239
Total governmental activities	\$ 5,768,637	\$ 1,079,398	\$ 4,689,239

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E. Interfund Balance and Activity

Interfund Transfers

Interfund transfers during the year ended June 30, 2019 were as follows:

Transfer Out	Transfer To					Totals
	General	Instruction Fund	Debt Service Fund	Operations Fund	Nonmajor Governmental	
Governmental:						
General	\$ -	\$ -	\$ -	\$ -	\$ 1,693,979	\$ 1,693,979
Education Fund	4,088,033	-	-	3,697,498	5,000	7,790,531
Debt Service Fund	-	-	-	-	4,219,257	4,219,257
Operations Fund	-	-	470,962	-	-	470,962
2018/20 Spec Ed 611	-	-	-	-	1,163,651	1,163,651
Nonmajor Governmental	468,999	13,491	-	1,681,421	673,375	2,837,286
<b>Total</b>	<b><u>\$4,557,032</u></b>	<b><u>\$ 13,491</u></b>	<b><u>\$ 470,962</u></b>	<b><u>\$5,378,919</u></b>	<b><u>\$ 7,755,262</u></b>	<b><u>\$18,175,666</u></b>

The primary government typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues to the debt service funds for the current-year debt service requirements.

F. Long-Term Liabilities

1. General Obligation Bonds

The primary government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the primary government. These bonds generally are issued as 10 to 20-year serial bonds with varying amounts of principal maturing each year. The School did not issue any general obligation bonds in fiscal year June 30, 2019.

General Obligation bonds outstanding at June 30, 2019 are as follows:

Purpose	Final Maturity	Interest Rate	Original Debt Issue	Outstanding Amount
General Obligation Bonds of 2014	01/15/2024	1.00% to 3.00%	\$ 10,000,000	\$ 8,505,000
First Mortgage Refunding Bonds, Series 2015A	07/15/2019	1.85%	19,625,000	1,515,000
First Mortgage Refunding Bonds, Series 2015B	01/15/2023	2.60%	26,160,000	11,130,000
Taxable First Mortgage Refunding Bonds, Series 2017A	12/31/2032	5.00%	3,100,000	3,100,000
Taxable First Mortgage Refunding Bonds, Series 2017B	12/31/2032	3.65%	15,385,000	15,385,000
<b>Total</b>			<b><u>\$ 74,270,000</u></b>	<b><u>\$ 39,635,000</u></b>
Current portion of debt				(3,245,000)
Net unamortized (discount) and premium				148,289
<b>Total long-term portion</b>				<b><u>\$ 36,538,289</u></b>

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Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended June 30	Governmental Activities		
	Principal	Interest	Totals
2020	\$ 3,245,000	\$ 1,746,675	\$ 4,991,675
2021	3,540,000	1,140,810	4,680,810
2022	3,635,000	1,048,718	4,683,718
2023	3,740,000	951,217	4,691,217
2024	7,860,000	769,503	8,629,503
2025 to 2029	9,670,000	2,603,337	12,273,337
2030 to 2034	7,945,000	628,918	8,573,918
<b>Total</b>	<b>\$ 39,635,000</b>	<b>\$ 8,889,178</b>	<b>\$ 48,524,178</b>

Annual debt service requirements to maturity for the loan payable are as follows:

Year Ended June 30	Governmental Activities		
	Principal	Interest	Totals
2020	\$ -	\$ -	\$ -
2021	600,000	-	600,000
2022	600,000	-	600,000
2023	600,000	-	600,000
2024	1,200,000	-	1,200,000
2025 to 2029	9,000,000	-	9,000,000
<b>Total</b>	<b>\$ 12,000,000</b>	<b>\$ -</b>	<b>\$ 12,000,000</b>

2. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2019, was as follows:

Primary Government	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds Payable:					
General obligation	\$ 43,215,000	\$ -	\$ 3,580,000	\$ 39,635,000	\$ 3,245,000
Loan payable	9,000,000	12,000,000	9,000,000	12,000,000	-
Premium/(Discount) on Bonds	197,257	-	48,968	148,289	-
Compensated absences	1,283,380	-	871,910	411,470	-
Net pension liabilities	8,009,350	-	4,694,505	3,314,845	-
<b>Total governmental activities long-term liabilities</b>	<b>\$ 61,704,987</b>	<b>\$ 12,000,000</b>	<b>\$ 18,195,383</b>	<b>\$ 55,509,604</b>	<b>\$ 3,245,000</b>

G. Fund Balance

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the School is bound to observe constraints

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imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are as follows:

Funds Balances	Education	Debt Service	Operations	2018-20 Special Education Pass-Thru	2014 GO Construction Bond	Nonmajor Governmental Funds	Total
<b>Restricted for</b>							
Instruction	\$ 13,385,164	\$ -	\$ -	\$ 81,119	\$ -	\$ 925,291	\$ 14,391,574
Community Services	-	-	-	-	-	554,967	554,967
Debt service	-	7,162,062	-	-	-	3,130,298	10,292,360
Building Acquisition and Construction	-	-	-	-	8,095,769	-	8,095,769
<i>Total Restricted</i>	<u>13,385,164</u>	<u>7,162,062</u>	<u>-</u>	<u>81,119</u>	<u>8,095,769</u>	<u>4,610,556</u>	<u>33,334,670</u>
<b>Committed to</b>							
Instruction	-	-	-	-	-	274,373	274,373
Support Services	-	-	-	-	-	1,500,067	1,500,067
Community Services	-	-	-	-	-	261,135	261,135
Building Acquisition and Construction	-	-	-	-	-	620,000	620,000
<i>Total Committed</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,655,575</u>	<u>2,655,575</u>
<b>Unassigned</b>	<u>-</u>	<u>-</u>	<u>832,636</u>	<u>-</u>	<u>-</u>	<u>(1,142,037)</u>	<u>(309,401)</u>
Total Fund Balances	<u>\$ 13,385,164</u>	<u>\$ 7,162,062</u>	<u>\$ 832,636</u>	<u>\$ 81,119</u>	<u>\$ 8,095,769</u>	<u>\$ 6,124,094</u>	<u>\$ 35,680,844</u>

**Note 4. Other Information**

**A. 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.

Medical Benefits to Employees, Retirees and Dependents

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.

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Changes in the balance of claim liabilities during the past two years are as follows:

	FY 6/30/19	FY 6/30/18
Unpaid claims, beginning of fiscal year	\$ 531,911	\$ 916,430
Incurred claims and changes in estimates	4,455,844	5,445,365
Claim payments	4,568,973	5,829,884
Unpaid claims, end of fiscal year	\$ 418,782	\$ 531,911

**B. Pension Plans**

**1. Cost-Sharing Multiple-Employer Defined Benefit Plans**

Administration of System and Plans

The Muncie Community School Corporation participates in the Public Employees' Retirement Fund (PERF), the Teachers' Retirement Fund (TRF) and the Pre-96 Teachers Retirement Fund. The School's information for each plan is described as follows:

Aggregate pension item amounts for both plans are summarized as follows:

	PERF	TRF	Pre-96 TRF
Pensions:			
Net Pension Liability (Asset)	\$ 2,742,095	\$ 572,750	\$ -
Deferred Outflows of Resources	654,117	2,994,462	-
Deferred Inflows of Resources	1,400,509	3,359,734	-
Pension Expense	(490,112)	1,103,428	9,021,379
Totals	\$ 4,306,609	\$ 8,030,374	\$ 9,021,379

**a. Public Employees Retirement Fund**

Plan Description

The school 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, School, town, township, political body corporate, public school corporation, public library, public utility of a county, School, town, township, and any department of, or associated with, a county, School, 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 Public Employees' Annuity Savings Plan (PERF ASA Only Plan). Details of the PERF Hybrid Plan are described below.

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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 annuity savings account (ASA) that supplements the defined benefit at retirement.

Retirement Benefits – Defined Benefit Pension

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 annuity savings 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 pension, 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 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 non-vested member who terminates employment prior to retirement may withdraw his/her annuity savings account after 30 days, but by doing so, forfeits his/her creditable service. A member who returns to covered service and works no less than six (6) months in a covered position may reclaim his/her forfeited creditable service.

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

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

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of

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pension benefit at retirement remains the same for the members lifetime. For age 59, the early retirement percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 59 is 84 percent) to age 50 being 44 percent.

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

Retirement Benefits – Disability and Survivor Benefits

The 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 years or more 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 primary government is required to contribute at an actuarially determined rate; the current rate for the calendar year 2018 was 11.20% of annual covered payroll. The rate for 2019 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 were \$449,048 for the fiscal year ended June 30, 2018.

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

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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, 2018, the School reported a liability of \$2,742,095 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's reported wages as a proportion of total collective reported wages for all employers. At June 30, 2018, the School's proportion was .08072 percent, which was a decrease of .0001123, which is approximately 12.21 percent lower from its proportion measured as of June 30, 2017 of .09195 percent.

For the year ended June 30, 2018, the School recognized pension expense of (\$490,112) for the PERF Fund. At June 30, 2018, the School reported deferred inflows of resources and deferred inflows of resources related to pensions from the following services:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 35,861	\$ 187
Net difference between projected and actual investment earnings on pension plan investments	81,210	-
Changes of assumptions	6,533	440,281
Changes in proportion and difference between employer contributions (School) and proportionate share of contributions	-	960,041
Contributions made subsequent to the measurement date	530,513	-
Totals	\$ 654,117	\$ 1,400,509

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30, 2018 PERF
2019	\$ (638,919)
2020	(281,339)
2021	(308,083)
2022	(48,564)
Total	\$ (1,276,905)

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Actuarial Assumption

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	2.50% to 4.25%
Mortality rates	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006
Investment rate of return	6.75% net of investment expense, including inflation
COLA	2020-2021 - 13th check 2021-2033 - 0.40% 2034-2038 - 0.50% 2039 and on - .060%

The actuarial assumptions used in the June 30, 2018 valuation of the Public Employees' Retirement Fund were adopted by the INPRS Board in April 2018. The majority of the actuarial methods are based on plan experience from July 1, 2010 through June 30, 2014 and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018. The funding policy is available online at: [www.in.gov/inprs/files/INPRS\\_Funding\\_Policy.pdf](http://www.in.gov/inprs/files/INPRS_Funding_Policy.pdf).

For the actuarial valuation as of June 30, 2018, an actuarial audit was completed which included updating the following assumptions: the COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0 percent COLA beginning on January 1, 2020, INPRS assumes the COLA will be replaced by a 13<sup>th</sup> check for 2020 and 2021. The COLA assumption, thereafter, would be 0.4 percent beginning on January 1, 2022, changing to 0.5 percent beginning on January 1, 2034, and ultimately 0.6 percent beginning on January 1, 2039.

The long-term expected rate of return for the INPRS defined benefit retirement plans has been determined using a building-block approach and assumes a time horizon, as defined in the 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 for each asset class. 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.

Global Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	22.00%	4.40%
Private Equity	14.00%	5.40%
Fixed Income - Ex Inflation-Linked	20.00%	2.20%
Fixed Income - Inflation-Linked	7.00%	0.80%
Commodities	8.00%	2.30%
Real Estate	7.00%	6.50%
Absolute Return	10.00%	2.70%
Risk Parity	12.00%	5.20%

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Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. 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.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School's proportional share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	5.75% 1% Decrease	6.75% Current Rate	7.75% 1% Increase
Net Pension Liability	\$ 4,316,498	\$ 2,742,095	\$ 1,429,214

Pension Plan Fiduciary Net Position

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

[http://www.in.gov/inprs/files/2018\\_INPRSCAFRBook.pdf](http://www.in.gov/inprs/files/2018_INPRSCAFRBook.pdf)

Retirement Benefits – Annuity Savings Account

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

b. Teachers Retirement Fund

Plan Description

The School Corporation participates in the Indiana Teachers' Retirement Fund (TRF), a cost-sharing multiple-employer defined-benefit plan. TRF was established to provide retirement, disability, and survivor benefits to full time teachers of the State of Indiana not

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covered by another plan. There are two (2) tiers to the TRF Plan. The first is the Teachers' Retirement Defined Benefit Plan (TRF Plan) and the second is the Teacher's Annuity Savings Account Only Plan (TRF ASA Only Plan). Details of the TRF Plan are described below.

TRF Plan

The TRF Plan was established by the Indiana General Assembly in 1921 and is governed by the INPRS Board of Trustees in accordance with Indiana Code (IC) 5-10.2. There are two (2) aspects to the TRF Plan defined-benefit structure. The first portion is the monthly defined-benefit pension that is funded by the employer. The second portion of the TRF Plan is the annuity savings account (ASA) that supplements the defined-benefit at retirement.

Retirement Benefits - Defined-Benefit Pension

The TRF Plan retirement benefit consists of the sum of the defined pension benefit provided by the employer contributions plus the amount credited to the member's annuity savings account.

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

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

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

A member who has reached at least age 50 and has at least 15 years of creditable service is eligible for early retirement with a reduced pension. A member retiring early receives a percentage of the normal annual pension benefit. The percentage of the pension benefit at retirement remains the same for the member's lifetime. For age 59, the early retirement

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percentage of the normal annual pension benefit is 89 percent. This amount is reduced five (5) percentage points per year (e.g., age 58 is 84 percent) to age 50 being 44 percent.

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

Retirement Benefits - Disability and Survivor Benefits

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

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

Contributions

Members are required to contribute 3% of their annual covered salary. The School Corporation is required to contribute at an actuarially determined rate; the rate for fiscal year 2018 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 \$1,158,289 for the year ended June 30, 2018.

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

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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, 2018, the School reported a liability of \$572,750 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's reported wages as a proportion of total collective reported wages for all employers. At June 30, 2018, the School's proportion was .51640 percent, which was a decrease of .000736, which is, approximately 12.5% percent higher from its proportion measured as of June 30, 2018 of .59000 percent.

For the year ended June 30, 2018, the School recognized pension expense of \$1,103,428 for the TRF Fund. At June 30, 2018, the School reported deferred inflows of resources and deferred outflows of resources related to pensions from the following services:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 328,466	\$ 821,357
Net difference between projected and actual investment earnings on pension plan investments	70,523	-
Changes of assumptions	973,750	1,856,775
Changes in proportion and difference between employer contributions (School) and proportionate share of contributions	4,337	681,602
Contributions made subsequent to the measurement date	<u>1,617,386</u>	<u>-</u>
Totals	<u>\$ 2,994,462</u>	<u>\$ 3,359,734</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Year Ended June 30, 2019</u>
	<u>TRF</u>
2019	\$ 145,303
2020	(140,338)
2021	(374,234)
2022	(318,241)
2023	(189,508)
Thereafter	<u>(1,105,640)</u>
Total	<u>\$ (1,982,658)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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Inflation	2.25%
Salary Increases	2.50% to 12.50% based on years of service
Mortality rates	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006
Investment rate of return	6.75% net of investment expense, including inflation
COLA	2020-2021 - 13th check 2022-2033 - 0.40% 2034-2038 - 0.50% 2039 and on - .060%

The actuarial assumptions used in the June 30, 2018 valuation of the Teaches' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in April 2018. The majority of the actuarial and methods are based on plan experience from July 1, 2010 through June 30, 2014 and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2017.

The June 30, 2018 valuations, the COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0 percent COLA beginning on January 1, 2020, INPRS assumes that the COLA will be replaced by a 13<sup>th</sup> check for 2020 and 2021. The COLA assumption thereafter, would be 0.4 percent beginning on January 1, 2022, change to 0.5 percent beginning on January 1, 2034, and ultimately 0.6 percent beginning on January 1, 2039.

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. 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.

Sensitivity of the School's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School's proportional share of the net pension liability calculated using the discount rate of 6.75 percent, as well as what the School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	5.75% 1% Decrease	6.75% Current Rate	7.75% 1% Increase
Net Pension Liability	\$ 5,536,571	\$ 572,750	\$ (3,441,979)
	<u>\$ 5,536,571</u>	<u>\$ 572,750</u>	<u>\$ (3,441,979)</u>

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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/2018\\_INPRSCAFRBook.pdf](http://www.in.gov/inprs/files/2018_INPRSCAFRBook.pdf)

c. 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 Muncie Community Schools is \$107,531,220.

Retirement Benefits – Defined Benefit Pension

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

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

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

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

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

Retirement Benefits - Disability and Survivor Benefits

The 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, 2018, the net pension liability is assumed by the State of Indiana and the School does not report any liability for the pension liability.

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For the year ended June 30, 2018, the School recognized pension expense of \$9,021,379 for the Pe-96 TRF Fund. No amounts were recognized for deferred outflows of resources and deferred inflows of resources.

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary Increases	2.50% to 12.50% based on years of service
Mortality rates	RP-2014 White Collar Mortality Table, with Social Security Administration generational improvement scale from 2006
Investment rate of return	6.75% net of investment expense, including inflation
COLA	2020-2021 - 13th check 2022-2033 - 0.40% 2034-2038 - 0.50% 2039 and on - .060%

The actuarial assumptions used in the June 30, 2018 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in April 2018. The majority of the actuarial and methods are based on plan experience from July 1, 2010 through June 30, 2014 and were first used in the June 30, 2015 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2017.

The June 30, 2018 valuations, the COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0 percent COLA beginning on January 1, 2020, INPRS assumes that the COLA will be replaced by a 13<sup>th</sup> check for 2020 and 2021. The COLA assumption thereafter, would be 0.4 percent beginning on January 1, 2022, change to 0.5 percent beginning on January 1, 2034, and ultimately 0.6 percent beginning on January 1, 2039.

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. 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.

**C. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the

**MUNCIE COMMUNITY SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2019

budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**D. Contingencies**

In the normal course of business, the School is, from time to time, subject to allegations that may result in litigation. Some of these allegations could be in areas not covered by the School's insurance programs; for example, allegations regarding employment practices or performance of contracts. The School evaluates such allegations by conducting investigations to determine the validity of each potential claim. Based upon the advice of internal counsel, and external counsel when necessary, management records an estimate of the amount of ultimate expected loss, if any, for each. Events could occur that would cause the estimate of ultimate loss to differ materially in the near term.

**E. Emergency Management**

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

Indiana Code 6-1.1-20.3-7.1 states:

"(a) This section applies only to the Muncie Community Schools.

(b) The general assembly finds that the provisions of this section:

- (1) are necessary to address the unique issues faced by the Muncie Community Schools;
- (2) are not precedent for and may not be appropriate for addressing issues faced by other school corporations; and
- (3) are consistent with the board designating the Muncie Community school corporation as a distressed political subdivision effective January 1, 2018.

(c) Notwithstanding section 7.5(d) of this chapter, the board shall determine the compensation of the emergency manager, pay the emergency manager's compensation, and reimburse the emergency manager for actual and necessary expenses from funds appropriated to the board.

(d) In addition to any other actions that the board may take under this chapter concerning a distressed political subdivision, the board may recommend, before July 1, 2020, to the state board of finance that the state board of finance make an interest free loan to the school corporation from the common school fund. The distressed unit appeal board shall determine the payment schedule and the commencement date for the loan. If the board makes a recommendation that such a loan be made, the state board of finance may, notwithstanding IC 20-49, make the loan for a term of not more than ten (10) years."

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

**MUNCIE COMMUNITY SCHOOLS**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2019

F. Other Postemployment Benefits

The School Corporation provides to eligible retirees and their spouses the following benefits: health, vision and dental insurance. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

During the fiscal year ended June 30, 2019, the School settled with the majority of the retired teachers and ended their post-employment benefits. The OPEB liability associated with the remaining retirees is not material to the financial statements and is not included in the financial statements.

MUNCIE COMMUNITY SCHOOL CORPORATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE -  
GENERAL FUND  
For the Year Ended December 31, 2018

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
<b>Taxes:</b>				
Intergovernmental	\$ 41,250,050	\$ 40,385,360	\$ 40,791,825	\$ 406,465
Interest	4,000	4,000	120,690	116,690
Sale and use of property	10,000	10,000	524,209	514,209
Reimbursement	-	-	155,932	155,932
Miscellaneous	1,424,000	1,424,000	287,488	(1,136,512)
<b>Total revenues</b>	<b>42,688,050</b>	<b>41,823,360</b>	<b>41,880,144</b>	<b>56,784</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Regular programs				
Personal services	16,279,720	22,946,731	19,058,579	3,888,152
Supplies	233,839	329,603	232,902	96,701
Other services and charges	20,503	28,900	101,189	(72,289)
Special Programs				
Personal services	3,354,405	4,728,130	4,080,829	647,301
Supplies	21,284	30,000	43,950	(13,950)
Other services and charges	466,397	657,400	279,133	378,267
Capital outlay	-	-	3,676	(3,676)
Summer School Programs				
Personal services	20,117	28,356	27,977	379
Remediation Programs				
Personal services	98,072	138,236	105,685	32,551
Payments to Other Governmental Units within the State				
Other services and charges	-	-	2,510	(2,510)
Support Services - Students				
Personal services	1,223,527	1,724,596	1,402,162	322,434
Other services and charges	412,904	582,000	564,077	17,923
Support Services - Instruction				
Personal services	900,460	1,269,224	1,051,001	218,223
Supplies	7,095	10,000	2,381	7,619
Other services and charges	17,736	25,000	20,790	4,210
Support Services - General Administration				
Personal services	271,627	382,867	271,892	110,975
Supplies	38,311	54,000	70,217	(16,217)
Other services and charges	67,398	95,000	209,463	(114,463)
Capital outlay	-	-	450	(450)
Support Services - School Administration				
Personal services	1,489,100	2,098,929	1,895,796	203,133
Central Office				
Personal services	360,554	508,211	363,835	144,376
Supplies	-	-	2,989	(2,989)
Other services and charges	150,476	212,100	351,934	(139,834)
Maintenance of Buildings				
Personal services	-	-	31,925	(31,925)
Supplies	72,010	101,500	137,980	(36,480)
Other services and charges	1,662,184	2,342,896	4,179,103	(1,836,207)
Security Services				
Personal services	282,747	398,540	472,913	(74,373)
Insurance				
Other services and charges	336,992	475,000	340,366	134,634
Community Service Operations				
Personal services	160,383	226,065	202,113	23,952
<b>Total general government</b>	<b>27,947,841</b>	<b>39,393,284</b>	<b>35,507,817</b>	<b>3,885,467</b>
Excess (deficiency) of revenues over (under) expenditures	14,740,209	2,430,076	6,372,327	3,942,251
<b>Other financing sources/(uses):</b>				
Other financing sources	-	-	6,709,000	6,709,000
Transfer in	-	-	536,612	536,612
Principal	-	-	(6,709,000)	(6,709,000)
Other financing uses	(132,932)	(187,367)	(1,764,055)	(1,576,688)
<b>Total other financing sources/(uses)</b>	<b>(132,932)</b>	<b>(187,367)</b>	<b>(1,227,443)</b>	<b>(1,040,076)</b>
<b>Net change in fund balances</b>	<b>14,607,277</b>	<b>2,242,709</b>	<b>5,144,884</b>	<b>2,902,175</b>
Fund balances - beginning	(9,232,917)	(9,232,917)	(5,144,884)	(4,088,033)
Fund balances - ending	\$ 5,374,360	\$ (6,990,208)	\$ -	\$ (1,185,858)

The notes to the required supplementary information are an integral part of this statement

MUNCIE COMMUNITY SCHOOL CORPORATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGET TO GAAP RECONCILIATION  
 GENERAL FUND  
 For the Year Ended December 31, 2018

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

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).
- c. Budget for cash (budgetary) is on a calendar year basis as opposed to fiscal year basis for accrual (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.

	General
Excess of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ 5,144,884
Adjustments	
To adjust for calendar year to fiscal year differences	(8,575,010)
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	\$ (3,430,126)

The notes to the required supplementary information are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Public Employees' Retirement Fund  
 Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability	0.08072%	0.09195%	0.14005%	0.15010%	0.17546%
Proportionate share of the net pension liability	\$ 2,742,095	\$ 4,102,389	\$ 6,356,092	\$ 6,113,426	\$ 4,610,975
Covered payroll	4,118,621	4,561,840	6,711,817	7,189,653	\$ 8,566,526
Proportionate share of the net pension liability as a percentage of its covered payroll	66.6%	89.9%	94.7%	85.0%	53.8%
Plan fiduciary net position as a percentage of total pension liability	78.9%	72.7%	71.2%	73.3%	81.1%

Notes:

The plan fiduciary net position as a percentage of total pension liability comes from the INPRS annual report.

The School's covered payroll comes from the School specific report for INPRS.

The amounts presented for each fiscal year were determined as of June 30. (measurement date)

Benefit changes: None

Changes in actuarial methods: None

Changes in assumptions: In lieu of a COLA on January 1, 2019, Members pay were provided a 13th check on October 1, 2018.

It's assumed a 13th check would continue for the 2020 and 2021 fiscal years. Thereafter the following COLA's, compounded annually, were assumed

0.4% beginning January 1, 2022

0.5% beginning January 1, 2034

0.6% beginning January 1, 2039

Information is not available prior to 2014

Additional years will be added until 10 years of historical data is shown.

\* Effective January 1, 2018 funds previously known as annuity savings accounts (which had been reported within defined benefit funds) were recategorized as defined contribution funds based on Internal Revenue Service Private Letter Rulings PLR-193-2016 and PLR-110249-18. DC member balances previously reported within PERF DB fund total were transferred to the appropriate DC fund as of January 1, 2018.

MUNCIE COMMUNITY SCHOOLS, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF SCHOOL CONTRIBUTIONS  
 Public Employees' Retirement Fund  
 Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 461,286	\$ 510,926	\$ 751,724	\$ 805,241
Contributions in relation to the contractually required contributions	<u>(449,048)</u>	<u>(478,431)</u>	<u>(729,099)</u>	<u>(835,502)</u>
Contribution deficiency (excess)	<u>\$ 12,238</u>	<u>\$ 32,495</u>	<u>\$ 22,625</u>	<u>\$ (30,261)</u>
Covered payroll	\$ 4,118,621	\$ 4,561,840	\$ 6,711,817	\$ 7,189,653
Contributions as a percentage of covered payroll	10.90%	10.49%	10.86%	11.62%

Notes:

The amounts presented for each fiscal year were determined as of June 30.  
 Information is not available prior to 2015.  
 Additional years will be added until 10 years of historical data is shown.

MUNCIE COMMUNITY SCHOOLS, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Teachers Retirement Fund  
 Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.51640%	0.59000%	0.63611%	0.68894%	0.72974%
Proportionate share of the net pension liability (asset)	\$ 572,750	\$ 3,906,961	\$ 4,964,968	\$ 3,627,806	\$ 346,997
Covered payroll	\$ 16,228,018	\$ 17,814,654	\$ 18,322,458	\$ 18,882,517	\$ 18,885,188
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	3.5%	21.9%	27.1%	19.2%	1.8%
Plan fiduciary net position as a percentage of total pension liability	98.0%	88.0%	84.9%	88.9%	98.8%

Notes:

The plan fiduciary net position as a percentage of total pension liability comes from the INPRS annual report.

The School's covered payroll comes from the School specific report for INPRS.

The amounts presented for each fiscal year were determined as of June 30. (measurement date)

Information is not available prior to 2014.

Additional years will be added until 10 years of historical data is shown.

MUNCIE COMMUNITY SCHOOLS, INDIANA  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF SCHOOL CONTRIBUTIONS  
 Teacher Retirement Fund  
 Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,217,101	\$ 1,336,099	\$ 1,374,184	\$ 1,416,189
Contributions in relation to the contractually required contributions	<u>(1,158,289)</u>	<u>(1,332,779)</u>	<u>(1,375,968)</u>	<u>(1,417,271)</u>
Contribution deficiency (excess)	<u>\$ 58,812</u>	<u>\$ 3,320</u>	<u>\$ (1,784)</u>	<u>\$ (1,082)</u>
Covered payroll	\$ 16,228,018	\$ 17,814,654	\$ 18,322,458	\$ 18,882,517
Contributions as a percentage of covered payroll	7.14%	7.48%	7.51%	7.51%

Notes:

The amounts presented for each fiscal year were determined as of June 30.  
 Information is not available prior to 2015.  
 Additional years will be added until 10 years of historical data is shown.

MUNCIE COMMUNITY SCHOOLS, INDIANA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER'S SHARE OF NONEMPLOYER CONTRIBUTING ENTITY CONTRIBUTIONS  
Pre-96 Teacher Retirement Fund  
Last 10 Fiscal Years

	<u>2018</u>
Employers share of nonemployer contributing entity contributions	<u>\$ 9,078,765</u>

Notes:

The amounts presented for each fiscal year were determined as of June 30.  
Information is not available prior to 2018.  
Additional years will be added until 10 years of historical data is shown.

MUNCIE COMMUNITY SCHOOLS, INDIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2019

I. Budgets and Budgetary Accounting

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

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

Major fund:

General Fund  
Debt Service Fund

Non-major funds:

Special revenue fund:  
Transportation

Capital project funds:

Capital Project Fund  
Bus Replacement

MUNCIE COMMUNITY SCHOOLS, INDIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
For the Year Ended June 30, 2019

II. Stewardship, Compliance and Accountability

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

On or before August 31, the City Controller submits to the Common Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Common Council to obtain taxpayer comments. In September of each year, the Common Council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the City Controller receives approval of the Indiana Department of Local Government Finance.

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

Expenditures did not exceed appropriations for any funds or any departments within the General Fund, which required legally-approved budgets.

III. Financial Reporting – Pension Plans

A. Plan Amendments

B. In 2018, there were no changes to the Plan that impacted the pension benefits during the fiscal year.

In 2018, the COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0% COLA beginning on January 1, 2020, INPRS now assumes that the COLA will be replaced by a thirteenth check for 2020 and 2021. The COLA assumption, thereafter, would be 0.4% beginning on January 1, 2022, changing to 0.5% beginning on January 1, 2034, and ultimately 0.6% beginning on January 1, 2039.

PERF Plan:

a) For disabled members, the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables are assumed instead of the RP2014 (with MP-2014 improvement removed) Total Data Set Mortality tables.

b) Actuarial assumptions for the plan are below:

Inflation	2.25%
Salary Increases	2.50% to 4.25%
Mortality rates	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006
Investment rate of return	6.75% net of investment expense, including inflation
COLA	2020-2021 - 13th check 2021-2033 - 0.40% 2034-2038 - 0.50% 2039 and on - .060%

MUNCIE COMMUNITY SCHOOLS, INDIANA  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
 For the Year Ended June 30, 2019

TRF Plan:

c) For disabled members, the RP-2014 (with MP-2014 improvement removed) Disability Mortality tables are assumed instead of the RP2014 (with MP-2014 improvement removed) White Collar Mortality tables.

d) Actuarial assumptions for the plan are below:

Inflation	2.25%
Salary Increases	2.50% to 12.5% based on years of service
Mortality rates	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006
Investment rate of return	6.75% net of investment expense, including inflation
COLA	2020-2021 - 13th check 2022-2033 - 0.40% 2034-2038 - 0.50% 2039 and on - .060%

Pre-1996 TRF Plan

e) For disabled members, the RP-2014 Disability Mortality Tables, with Social Security generational improvements from 2006 based on the Social Security Administration's 2014 Trustee Report.

f) Actuarial assumptions for the plan are below:

Inflation	2.25%
Salary Increases	2.50% to 12.50% based on years of service
Mortality rates	RP-2014 White Collar Mortality Tables, with Social Security Administration generational improvements from 2006 based on the Social Security Administration's 2014 Trustee Report
Investment rate of return	6.75% net of investment expense, including inflation
COLA	2020-2021 - 13th check 2022-2033 - 0.40% 2034-2038 - 0.50% 2039 and on - .060%

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor
<b>ASSETS</b>				
Cash and investments	\$ 3,217,121	\$ 3,130,298	\$ 1,634	\$ 6,349,053
Receivables				
Taxes receivable	-	-	-	-
Accounts	285,001	-	-	285,001
Intergovernmental receivable	137,870	-	-	137,870
Prepaid items	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,639,992</b>	<b>\$ 3,130,298</b>	<b>\$ 1,634</b>	<b>\$ 6,771,924</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	244,564	-	105,535	\$ 350,099
Accrued wages and payroll withholding	297,731	-	-	297,731
Advances from other funds	-	-	-	-
<b>Total Liabilities</b>	<b>542,295</b>	<b>-</b>	<b>105,535</b>	<b>647,830</b>
Deferred Inflows of Resources				
Unearned revenue	-	-	-	-
Unavailable revenue	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances				
Restricted	1,480,258	3,130,298	-	4,610,556
Committed	2,655,575	-	-	2,655,575
Unassigned (deficit)	(1,038,136)	-	(103,901)	(1,142,037)
<b>Total Fund Balances</b>	<b>3,097,697</b>	<b>3,130,298</b>	<b>(103,901)</b>	<b>6,124,094</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,639,992</b>	<b>\$ 3,130,298</b>	<b>\$ 1,634</b>	<b>\$ 6,771,924</b>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor
<b>REVENUES</b>				
Local sources	\$ 5,567,742	\$ -	\$ 2,478,924	\$ 8,046,666
Intermediate sources	750	-	-	750
State sources	1,015,129	-	-	1,015,129
Federal sources	8,279,214	-	-	8,279,214
Temporary loans	-	-	-	-
Other	<u>1,692</u>	<u>9,970</u>	<u>40,300</u>	<u>51,962</u>
Total Revenues	<u>14,864,527</u>	<u>9,970</u>	<u>2,519,224</u>	<u>17,393,721</u>
<b>EXPENDITURES</b>				
Current				
Instruction	6,696,029	-	-	6,696,029
Support services	4,118,347	-	2,699,321	6,817,668
Community services	2,674,230	-	-	2,674,230
Facilities acquisition and construction	-	-	472,772	472,772
Nonprogrammed charges	418,556	1,993,500	-	2,412,056
Debt Service				
Principal paid on debt	891,000	2,975,000	1,400,000	5,266,000
Interest on debt	<u>-</u>	<u>1,075,308</u>	<u>-</u>	<u>1,075,308</u>
Total Expenditures	<u>14,798,162</u>	<u>6,043,808</u>	<u>4,572,093</u>	<u>25,414,063</u>
Excess (deficiency) of revenues over (under) expenditures	<u>66,365</u>	<u>(6,033,838)</u>	<u>(2,052,869)</u>	<u>(8,020,342)</u>
<b>OTHER FINANCING SOURCES</b>				
Debt proceeds	-	-	-	-
Sale of property	84	-	-	84
Transfer in	3,661,282	4,060,980	33,000	7,755,262
Transfer out	<u>(1,774,396)</u>	<u>-</u>	<u>(1,028,251)</u>	<u>(2,802,647)</u>
Total Other Financing Sources	<u>1,886,970</u>	<u>4,060,980</u>	<u>(995,251)</u>	<u>4,952,699</u>
Net change in fund balance	<u>1,953,335</u>	<u>(1,972,858)</u>	<u>(3,048,120)</u>	<u>(3,067,643)</u>
FUND BALANCE (DEFICIT) -				
Beginning of Year	<u>1,144,362</u>	<u>5,103,156</u>	<u>2,944,219</u>	<u>9,191,737</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 3,097,697</u>	<u>\$ 3,130,298</u>	<u>\$ (103,901)</u>	<u>\$ 6,124,094</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
June 30, 2019

	Shafer Grant	Transportation Operating Fund	2016/17 Mckinney-Vento Ed.	Rainy Day Fund	Cafeteria Fund	Curricular Materials Rental	2017/18 General Fund W/Preschool
<b>ASSETS</b>							
Cash and investments	\$ -	\$ -	\$ 7,182	\$ 620,000	\$ 859,457	\$ 393,231	\$ -
Receivables							
Taxes receivable	-	-	-	-	-	-	-
Accounts	-	-	-	-	66,942	6,179	-
Intergovernmental receivable	-	-	-	-	44,404	-	-
Prepaid items	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,182</b>	<b>\$ 620,000</b>	<b>\$ 970,803</b>	<b>\$ 399,410</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,035	\$ -
Accrued wages and payroll withholding	18,500	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>18,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>185,035</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>							
Unearned revenue	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>							
Restricted	-	-	7,182	-	-	-	-
Committed	-	-	-	620,000	970,803	214,375	-
Unassigned (deficit)	(18,500)	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>(18,500)</b>	<b>-</b>	<b>7,182</b>	<b>620,000</b>	<b>970,803</b>	<b>214,375</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,182</b>	<b>\$ 620,000</b>	<b>\$ 970,803</b>	<b>\$ 399,410</b>	<b>\$ -</b>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
 June 30, 2019

2017/18 Vocation Coop Dist #22	Educational Promotions Fund	Ball Brothers Foundation - Audit	George & Frances Ball	PBIS Grant - Star Press	Alternative Ed. Grant	2015 In Early Literacy Inter.	2017 Literacy Early Int Grant	Lilly Counsel Initiative	Special Education Donation Fund	Kick-Off To Kindergarten
\$ 2,140	\$ 996	\$ -	\$ (3,000)	\$ 50,000	\$ 180,813	\$ 497	\$ 1,075	\$ 319,923	\$ 1,581	\$ -
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	25,000	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>\$ 2,140</u>	<u>\$ 996</u>	<u>\$ -</u>	<u>\$ (3,000)</u>	<u>\$ 75,000</u>	<u>\$ 180,813</u>	<u>\$ 497</u>	<u>\$ 1,075</u>	<u>\$ 319,923</u>	<u>\$ 1,581</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 3,278	\$ 480	\$ -	\$ -	\$ -	\$ 14,815	\$ -	\$ -
-	-	-	26,467	-	749	-	-	4,947	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	29,745	480	749	-	-	19,762	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
2,140	-	-	-	74,520	180,064	497	1,075	300,161	1,581	-
-	996	-	-	-	-	-	-	-	-	-
-	-	-	(32,745)	-	-	-	-	-	-	-
<u>2,140</u>	<u>996</u>	<u>-</u>	<u>(32,745)</u>	<u>74,520</u>	<u>180,064</u>	<u>497</u>	<u>1,075</u>	<u>300,161</u>	<u>1,581</u>	<u>-</u>
<u>\$ 2,140</u>	<u>\$ 996</u>	<u>\$ -</u>	<u>\$ (3,000)</u>	<u>\$ 75,000</u>	<u>\$ 180,813</u>	<u>\$ 497</u>	<u>\$ 1,075</u>	<u>\$ 319,923</u>	<u>\$ 1,581</u>	<u>\$ -</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
 June 30, 2019

	2019/20 Kick Off To Kindergarten	Fieldhouse Banner Fund	Ball Found Afterschool P3 Xtream	2017/18 Ball Grant Innovation	BBF- Excellence Teaching Award Donations	MCS Donation Fund	MCS Fieldhouse Donation 2016	Mutual Bank Enrichment Grant
<b>ASSETS</b>								
Cash and investments	\$ 2,000	\$ 454	\$ 4,445	\$ 95,445	\$ 15,000	\$ 210,064	\$ 1,000	\$ 5,000
Receivables								
Taxes receivable	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	49,450	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,000</b>	<b>\$ 454</b>	<b>\$ 4,445</b>	<b>\$ 95,445</b>	<b>\$ 15,000</b>	<b>\$ 259,514</b>	<b>\$ 1,000</b>	<b>\$ 5,000</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 944	\$ -	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	-	-	-	7,498	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,442</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred Inflows of Resources								
Unearned revenue	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances								
Restricted	-	-	4,445	87,003	15,000	-	-	5,000
Committed	2,000	454	-	-	-	259,514	1,000	-
Unassigned (deficit)	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>2,000</b>	<b>454</b>	<b>4,445</b>	<b>87,003</b>	<b>15,000</b>	<b>259,514</b>	<b>1,000</b>	<b>5,000</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 2,000</b>	<b>\$ 454</b>	<b>\$ 4,445</b>	<b>\$ 95,445</b>	<b>\$ 15,000</b>	<b>\$ 259,514</b>	<b>\$ 1,000</b>	<b>\$ 5,000</b>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
 June 30, 2019

CFP Foundation Community Grant	Ball - 2016 Excellence Teach	2017/18 Opportunity School	2017/18 Priority School	Community Engagement Council Donations	In & Out Other	Adventure Envir Learn Cntr Fund	Community Found - Longfellow Fitness	Central Rotc Services Fund	Christmas Sing Fund	Penny Seramur Scholarship Fund
\$ 4,275	\$ 1,505	\$ -	\$ -	\$ (24,079)	\$ 1,322	\$ 56,006	\$ 3,000	\$ 39,515	\$ 167	\$ 10,095
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	1,500	8,019	-	-	5,637	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>\$ 4,275</u>	<u>\$ 1,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,579)</u>	<u>\$ 9,341</u>	<u>\$ 56,006</u>	<u>\$ 3,000</u>	<u>\$ 45,152</u>	<u>\$ 167</u>	<u>\$ 10,095</u>
\$ 640	\$ -	\$ -	\$ -	\$ -	\$ 3,854	\$ 4,491	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	3,735	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>640</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,854</u>	<u>4,491</u>	<u>-</u>	<u>3,735</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
3,635	1,505	-	-	-	-	-	-	-	-	10,095
-	-	-	-	-	5,487	51,515	3,000	41,417	167	-
-	-	-	-	(22,579)	-	-	-	-	-	-
<u>3,635</u>	<u>1,505</u>	<u>-</u>	<u>-</u>	<u>(22,579)</u>	<u>5,487</u>	<u>51,515</u>	<u>3,000</u>	<u>41,417</u>	<u>167</u>	<u>10,095</u>
<u>\$ 4,275</u>	<u>\$ 1,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22,579)</u>	<u>\$ 9,341</u>	<u>\$ 56,006</u>	<u>\$ 3,000</u>	<u>\$ 45,152</u>	<u>\$ 167</u>	<u>\$ 10,095</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
June 30, 2019

	Walburn Scholarship Fund	Demaree Scholarship Fund	Devoe Scholarship Fund	Successful Schools - Bsu	2016/17 Chartwells - Scholarship	High Ability Contingency Fund	2018/19 Dual Language Immersion Grant	2016 PBIS Meridian Intecare Gr
<b>ASSETS</b>								
Cash and investments	\$ 31,409	\$ 3,155	\$ 444,345	\$ (40,398)	\$ 25,000	\$ -	\$ (26,409)	\$ 5,738
Receivables								
Taxes receivable	-	-	-	-	-	-	-	-
Accounts	-	-	-	111,722	10,000	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 31,409</b>	<b>\$ 3,155</b>	<b>\$ 444,345</b>	<b>\$ 71,324</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ (26,409)</b>	<b>\$ 5,738</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 2,123	\$ -	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	-	-	-	8,700	-	-	700	-
Advances from other funds	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,823</b>	<b>-</b>	<b>-</b>	<b>700</b>	<b>-</b>
Deferred Inflows of Resources								
Unearned revenue	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances								
Restricted	31,409	3,155	444,345	60,501	35,000	-	-	5,738
Committed	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	(27,109)	-
<b>Total Fund Balances</b>	<b>31,409</b>	<b>3,155</b>	<b>444,345</b>	<b>60,501</b>	<b>35,000</b>	<b>-</b>	<b>(27,109)</b>	<b>5,738</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 31,409</b>	<b>\$ 3,155</b>	<b>\$ 444,345</b>	<b>\$ 71,324</b>	<b>\$ 35,000</b>	<b>\$ -</b>	<b>\$ (26,409)</b>	<b>\$ 5,738</b>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
 June 30, 2019

2016/17 RFF Evidence Based Prc	2016/17 High Ability Grant	2017/18 High Ability Grant	Formative Assessmt Grant	Special Education Student Reimbursement	Pre-School Program	2017/18 Dual Language Immersion	2014 Secured Schools Safety Gr	2017/18 Secured School Safety Gt	I Pad Insurance Fund	2016/17 Non- English Speaking
\$ 654	\$ -	\$ -	\$ -	\$ (14,317)	\$ 31,292	\$ 5,741	\$ 72,812	\$ -	\$ 27,346	\$ 26,297
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	12	-
-	-	-	-	-	-	26,578	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>\$ 654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,317)</u>	<u>\$ 31,292</u>	<u>\$ 32,319</u>	<u>\$ 72,812</u>	<u>\$ -</u>	<u>\$ 27,358</u>	<u>\$ 26,297</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89
-	-	-	-	-	6,067	-	-	-	-	177
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	6,067	-	-	-	-	266
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
654	-	-	-	-	25,225	32,319	72,812	-	-	26,031
-	-	-	-	-	-	-	-	-	27,358	-
-	-	-	-	(14,317)	-	-	-	-	-	-
<u>654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,317)</u>	<u>25,225</u>	<u>32,319</u>	<u>72,812</u>	<u>-</u>	<u>27,358</u>	<u>26,031</u>
<u>\$ 654</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,317)</u>	<u>\$ 31,292</u>	<u>\$ 32,319</u>	<u>\$ 72,812</u>	<u>\$ -</u>	<u>\$ 27,358</u>	<u>\$ 26,297</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
June 30, 2019

	2014/15							
	Technology Contingency Fund	Career Tech Perf Grant	2014/15 Excellence In Performance	2018/19 High Ability Grant	2018/19 Title I - Yoc	2018/19 Title I Basic Grant	2018/19 Title I 1003G Sig Sms	2017/18 Title I 1003G Sig Sms
<b>ASSETS</b>								
Cash and investments	\$ 456,949	\$ 17,694	\$ -	\$ 27,778	\$ (361)	\$ (164,803)	\$ 14,204	\$ -
Receivables								
Taxes receivable	-	-	-	-	-	-	-	-
Accounts	540	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 457,489</b>	<b>\$ 17,694</b>	<b>\$ -</b>	<b>\$ 27,778</b>	<b>\$ (361)</b>	<b>\$ (164,803)</b>	<b>\$ 14,204</b>	<b>\$ -</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,461	\$ -	\$ -
Accrued wages and payroll withholding	-	-	-	100	7,792	101,068	11,859	-
Advances from other funds	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>7,792</b>	<b>105,529</b>	<b>11,859</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>								
Unearned revenue	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>								
Restricted	-	17,694	-	27,678	-	-	2,345	-
Committed	457,489	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(8,153)	(270,332)	-	-
<b>Total Fund Balances</b>	<b>457,489</b>	<b>17,694</b>	<b>-</b>	<b>27,678</b>	<b>(8,153)</b>	<b>(270,332)</b>	<b>2,345</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 457,489</b>	<b>\$ 17,694</b>	<b>\$ -</b>	<b>\$ 27,778</b>	<b>\$ (361)</b>	<b>\$ (164,803)</b>	<b>\$ 14,204</b>	<b>\$ -</b>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
 June 30, 2019

2017/18 Title I Sig - Sms/Ewa	2017/18 Title I Negl/Del-Yoc	2017/18 Title I Basic	2015/16 Title I Basic	Preschool Muncie Fy 18 Pt.B619	2018/19 Special Ed Preschool	2017/18 Sp. Ed. IDEA Muncie	2018/19 Sp. Ed. IDEA Muncie	2016/17 Sp. Ed. Preschool	2016/17 Sp. Ed. IDEA Muncie	2016/17 Idea Pass Thru Coop619
\$ -	\$ -	\$ -	\$ (40,565)	\$ -	\$ 3,668	\$ (29,455)	\$ (273,534)	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,565)</u>	<u>\$ -</u>	<u>\$ 3,668</u>	<u>\$ (29,455)</u>	<u>\$ (273,534)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	6,334	-	74,800	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	6,334	-	74,800	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	(40,565)	-	(2,666)	(29,455)	(348,334)	-	-	-
-	-	-	(40,565)	-	(2,666)	(29,455)	(348,334)	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,565)</u>	<u>\$ -</u>	<u>\$ 3,668</u>	<u>\$ (29,455)</u>	<u>\$ (273,534)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
June 30, 2019

	2016/17 Idea Pss Thru Coop611	2018 Part B 619 Coop Pt E'Nd	2018 Part B 611 Coop Pt E'Nd	Pre-Sch CFDA #84.173	Macc-Abe-Cte	2016/17 Adult Basic Education	2017/18 Adult Basic Education	2018/19 Adult Basic Education
<b>ASSETS</b>								
Cash and investments	\$ (6,628)	\$ -	\$ (74,491)	\$ (16,532)	\$ -	\$ -	\$ -	\$ (19,161)
Receivables								
Taxes receivable	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	-
Intergovernmental receivable	-	-	26,207	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ (6,628)</b>	<b>\$ -</b>	<b>\$ (48,284)</b>	<b>\$ (16,532)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (19,161)</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 14,028	\$ -	\$ -	\$ -	\$ -
Accrued wages and payroll withholding	-	-	-	-	-	-	-	2,536
Advances from other funds	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,028</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,536</b>
Deferred Inflows of Resources								
Unearned revenue	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances								
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Unassigned (deficit)	(6,628)	-	(48,284)	(30,560)	-	-	-	(21,697)
<b>Total Fund Balances</b>	<b>(6,628)</b>	<b>-</b>	<b>(48,284)</b>	<b>(30,560)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,697)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ (6,628)</b>	<b>\$ -</b>	<b>\$ (48,284)</b>	<b>\$ (16,532)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (19,161)</b>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
 June 30, 2019

2017/19 Title IV	2018/20 Title IV, Part A Grant	2016/17 Perkins Grant	2017/18 Perkins Grant	2018/19 Perkins Grant	2016/17 21St Cclc Bsu/Lf Mp3	2018/19 Mp3 - Ball Brother	2018/19 Mp3 - United Way Grant	2018/19 Mp3 Xstream Grant	2017/18 21St Cclc Bsu/Lf Mp3
\$ (11,056)	\$ (13,939)	\$ -	\$ -	\$ (19,619)	\$ -	\$ (3,979)	\$ (2,745)	\$ (8,992)	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>\$ (11,056)</u>	<u>\$ (13,939)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,619)</u>	<u>\$ -</u>	<u>\$ (3,979)</u>	<u>\$ (2,745)</u>	<u>\$ (8,992)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 9,276	\$ -	\$ -	\$ -	\$ -	\$ -
-	6,224	-	-	3,851	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>-</u>	<u>6,224</u>	<u>-</u>	<u>-</u>	<u>13,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>(11,056)</u>	<u>(20,163)</u>	<u>-</u>	<u>-</u>	<u>(32,746)</u>	<u>-</u>	<u>(3,979)</u>	<u>(2,745)</u>	<u>(8,992)</u>	<u>-</u>
<u>(11,056)</u>	<u>(20,163)</u>	<u>-</u>	<u>-</u>	<u>(32,746)</u>	<u>-</u>	<u>(3,979)</u>	<u>(2,745)</u>	<u>(8,992)</u>	<u>-</u>
<u>\$ (11,056)</u>	<u>\$ (13,939)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,619)</u>	<u>\$ -</u>	<u>\$ (3,979)</u>	<u>\$ (2,745)</u>	<u>\$ (8,992)</u>	<u>\$ -</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS**  
June 30, 2019

	2015/16 Title IIa-Impr.Teach	2016/18 Title IIa-Impr Teach	2017/19 Title IIa Impr Teach	2018/20 Title II Grant	2018/20 Title II Grant	Title Iii Engl.Profici	2017/18 NESP	TOTAL NONMAJOR
<b>ASSETS</b>								
Cash and investments	\$ -	\$ (269)	\$ (68,538)	\$ 2,459	\$ (2,738)	\$ -	\$ -	\$ 3,217,121
Receivables								
Taxes receivable	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	-	-	-	285,001
Intergovernmental receivable	-	-	40,681	-	-	-	-	137,870
Prepaid items	-	-	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ (269)</u>	<u>\$ (27,857)</u>	<u>\$ 2,459</u>	<u>\$ (2,738)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,639,992</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 1,010	\$ 40	\$ -	\$ -	\$ 244,564
Accrued wages and payroll withholding	-	-	5,627	-	-	-	-	297,731
Advances from other funds	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>5,627</u>	<u>1,010</u>	<u>40</u>	<u>-</u>	<u>-</u>	<u>542,295</u>
Deferred Inflows of Resources								
Unearned revenue	-	-	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances								
Restricted	-	-	-	1,449	-	-	-	1,480,258
Committed	-	-	-	-	-	-	-	2,655,575
Unassigned (deficit)	-	(269)	(33,484)	-	(2,778)	-	-	(1,038,136)
Total Fund Balances	<u>-</u>	<u>(269)</u>	<u>(33,484)</u>	<u>1,449</u>	<u>(2,778)</u>	<u>-</u>	<u>-</u>	<u>3,097,697</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
	<u>\$ -</u>	<u>\$ (269)</u>	<u>\$ (27,857)</u>	<u>\$ 2,459</u>	<u>\$ (2,738)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,639,992</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
For the Year Ended June 30, 2019

	Shafer Grant	2016/17 Transportation Operating Fund	2016/17 Mckinney-Vento Ed.	Rainy Day Fund	Cafeteria Fund	Curricular Materials Rental	2017/18 General Fund W/Preschool	2017/18 Vocation Coop Dist #22
<b>REVENUES</b>								
Local sources	\$ -	\$ 1,877,930	\$ 8,507	\$ 653,000	\$ 540,435	\$ 69,077	\$ -	\$ 500,200
Intermediate sources	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	300,759	-	-
Federal sources	-	-	-	-	2,484,923	-	-	-
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>1,877,930</u>	<u>8,507</u>	<u>653,000</u>	<u>3,025,358</u>	<u>369,836</u>	<u>-</u>	<u>500,200</u>
<b>EXPENDITURES</b>								
Current								
Instruction	18,500	-	1,504	-	-	-	-	1,556
Support services	-	1,305,835	1,033	-	48,330	345,980	-	-
Community services	-	-	-	-	2,616,009	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	3,570	-	-	-	-	-
Debt Service								
Principal paid on debt	-	891,000	-	-	-	-	-	-
Interest on debt	-	-	-	-	-	-	-	-
Total Expenditures	<u>18,500</u>	<u>2,196,835</u>	<u>6,107</u>	<u>-</u>	<u>2,664,339</u>	<u>345,980</u>	<u>-</u>	<u>1,556</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,500)</u>	<u>(318,905)</u>	<u>2,400</u>	<u>653,000</u>	<u>361,019</u>	<u>23,856</u>	<u>-</u>	<u>498,644</u>
<b>OTHER FINANCING SOURCES</b>								
Debt proceeds	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	84	-	-	-
Transfer in	-	-	-	-	34,638	158,277	1,465,998	-
Transfer out	-	(653,169)	-	(33,000)	-	-	-	(235,784)
Total Other Financing Sources	<u>-</u>	<u>(653,169)</u>	<u>-</u>	<u>(33,000)</u>	<u>34,722</u>	<u>158,277</u>	<u>1,465,998</u>	<u>(235,784)</u>
Net change in fund balance	<u>(18,500)</u>	<u>(972,074)</u>	<u>2,400</u>	<u>620,000</u>	<u>395,741</u>	<u>182,133</u>	<u>1,465,998</u>	<u>262,860</u>
FUND BALANCE (DEFICIT) -								
Beginning of Year	<u>-</u>	<u>972,074</u>	<u>4,782</u>	<u>-</u>	<u>575,062</u>	<u>32,242</u>	<u>(1,465,998)</u>	<u>(260,720)</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (18,500)</u>	<u>\$ -</u>	<u>\$ 7,182</u>	<u>\$ 620,000</u>	<u>\$ 970,803</u>	<u>\$ 214,375</u>	<u>\$ -</u>	<u>\$ 2,140</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
**For the Year Ended June 30, 2019**

Educational Promotions Fund	Ball Brothers Foundation - Audit	George & Frances Ball	PBIS Grant - Star Press	Alternative Ed. Grant	2015 In Early Literacy Inter.	2017 Literacy Early Int Grant	Lilly Counsel Initiative	Special Education Donation Fund	Kick-Off To Kindergarten
\$ -	\$ 115,560	\$ -	\$ 75,000	\$ -	\$ -	\$ -	\$ 511,400	\$ -	\$ 15,000
750	-	-	-	-	-	-	-	-	-
-	-	-	-	119,155	22,885	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>750</u>	<u>115,560</u>	<u>-</u>	<u>75,000</u>	<u>119,155</u>	<u>22,885</u>	<u>-</u>	<u>511,400</u>	<u>-</u>	<u>15,000</u>
-	-	32,745	480	121,356	-	-	211,239	-	12,205
640	115,560	-	-	4,223	22,388	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>640</u>	<u>115,560</u>	<u>32,745</u>	<u>480</u>	<u>125,579</u>	<u>22,388</u>	<u>-</u>	<u>211,239</u>	<u>-</u>	<u>12,205</u>
<u>110</u>	<u>-</u>	<u>(32,745)</u>	<u>74,520</u>	<u>(6,424)</u>	<u>497</u>	<u>-</u>	<u>300,161</u>	<u>-</u>	<u>2,795</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>110</u>	<u>-</u>	<u>(32,745)</u>	<u>74,520</u>	<u>(6,424)</u>	<u>497</u>	<u>-</u>	<u>300,161</u>	<u>-</u>	<u>2,795</u>
<u>886</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>186,488</u>	<u>-</u>	<u>1,075</u>	<u>-</u>	<u>1,581</u>	<u>(2,795)</u>
<u>\$ 996</u>	<u>\$ -</u>	<u>\$ (32,745)</u>	<u>\$ 74,520</u>	<u>\$ 180,064</u>	<u>\$ 497</u>	<u>\$ 1,075</u>	<u>\$ 300,161</u>	<u>\$ 1,581</u>	<u>\$ -</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
For the Year Ended June 30, 2019

	2019/20 Kick Off To Kindergarten	Fieldhouse Banner Fund	Ball Found Afterschool P3 Xtream	2017/18 Ball Grant Innovation	BBF- Excellence Teaching Award Donations	MCS Donation Fund	MCS Fieldhouse Donation 2016	Mutual Bank Enrichment Grant	CFP Foundation Community Grant
<b>REVENUES</b>									
Local sources	\$ 2,000	\$ -	\$ -	\$ 140,000	\$ 15,000	\$ 434,055	\$ -	\$ 5,000	\$ 5,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>140,000</u>	<u>15,000</u>	<u>434,055</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
<b>EXPENDITURES</b>									
Current									
Instruction	-	-	-	30,907	-	-	-	-	5,588
Support services	-	-	-	119,248	-	-	-	3,000	-
Community services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	273,240	-	-	-
Debt Service									
Principal paid on debt	-	-	-	-	-	-	-	-	-
Interest on debt	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,155</u>	<u>-</u>	<u>273,240</u>	<u>-</u>	<u>3,000</u>	<u>5,588</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>(10,155)</u>	<u>15,000</u>	<u>160,815</u>	<u>-</u>	<u>2,000</u>	<u>(588)</u>
<b>OTHER FINANCING SOURCES</b>									
Debt proceeds	-	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-
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>2,000</u>	<u>-</u>	<u>-</u>	<u>(10,155)</u>	<u>15,000</u>	<u>160,815</u>	<u>-</u>	<u>2,000</u>	<u>(588)</u>
FUND BALANCE (DEFICIT) - Beginning of Year	<u>-</u>	<u>454</u>	<u>4,445</u>	<u>97,158</u>	<u>-</u>	<u>98,699</u>	<u>1,000</u>	<u>3,000</u>	<u>4,223</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 2,000</u>	<u>\$ 454</u>	<u>\$ 4,445</u>	<u>\$ 87,003</u>	<u>\$ 15,000</u>	<u>\$ 259,514</u>	<u>\$ 1,000</u>	<u>\$ 5,000</u>	<u>\$ 3,635</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
**For the Year Ended June 30, 2019**

Ball - 2016 Excellence Teach	2017/18 Opportunity School	2017/18 Priority School	Community Engagement Council Donations	In & Out Other	Adventure Envir Learn Cntr Fund	Community Found - Longfellow Fitness	Central Rotc Services Fund	Christmas Sing Fund	Penny Seramur Scholarship Fund
\$ -	\$ -	\$ -	\$ 2,100	\$ 11,385	\$ 37,710	\$ 3,000	\$ -	\$ 7,135	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	55,985	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	2,100	11,385	37,710	3,000	55,985	7,135	-
1,103	-	-	24,679	5,898	3,936	-	15,389	-	-
-	-	-	-	-	19,092	-	-	-	-
-	-	-	-	-	-	-	-	6,968	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1,103	-	-	24,679	5,898	23,028	-	15,389	6,968	-
(1,103)	-	-	(22,579)	5,487	14,682	3,000	40,596	167	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	227,981	-	-	-	-	-	-	-	-
-	-	(144,215)	-	-	-	-	-	-	-
-	227,981	(144,215)	-	-	-	-	-	-	-
(1,103)	227,981	(144,215)	(22,579)	5,487	14,682	3,000	40,596	167	-
2,608	(227,981)	144,215	-	-	36,833	-	821	-	10,095
\$ 1,505	\$ -	\$ -	\$ (22,579)	\$ 5,487	\$ 51,515	\$ 3,000	\$ 41,417	\$ 167	\$ 10,095

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
For the Year Ended June 30, 2019

	Walburn Scholarship Fund	Demaree Scholarship Fund	Devoe Scholarship Fund	Successful Schools - Bsu	2016/17 Chartwells - Scholarship	High Ability Contingency Fund	2018/19 Dual Language Immersion Grant	2016 PBIS Meridian Intecare Gr	2016/17 RFF Evidence Based Prc
<b>REVENUES</b>									
Local sources	\$ 15,046	\$ 7	\$ 1,250	\$ 113,222	\$ 10,000	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	8,817	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>15,046</u>	<u>7</u>	<u>1,250</u>	<u>113,222</u>	<u>10,000</u>	<u>-</u>	<u>8,817</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>									
Current									
Instruction	-	-	-	-	-	5,548	35,926	3,977	147
Support services	-	-	-	52,721	-	241	-	32,727	-
Community services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	15,999	-	27,500	-	-	-	-	-	-
Debt Service									
Principal paid on debt	-	-	-	-	-	-	-	-	-
Interest on debt	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>15,999</u>	<u>-</u>	<u>27,500</u>	<u>52,721</u>	<u>-</u>	<u>5,789</u>	<u>35,926</u>	<u>36,704</u>	<u>147</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(953)</u>	<u>7</u>	<u>(26,250)</u>	<u>60,501</u>	<u>10,000</u>	<u>(5,789)</u>	<u>(27,109)</u>	<u>(36,704)</u>	<u>(147)</u>
<b>OTHER FINANCING SOURCES</b>									
Debt proceeds	-	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	-	-	-	-	-	-	-	-
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>(953)</u>	<u>7</u>	<u>(26,250)</u>	<u>60,501</u>	<u>10,000</u>	<u>(5,789)</u>	<u>(27,109)</u>	<u>(36,704)</u>	<u>(147)</u>
FUND BALANCE (DEFICIT) - Beginning of Year	<u>32,362</u>	<u>3,148</u>	<u>470,595</u>	<u>-</u>	<u>25,000</u>	<u>5,789</u>	<u>-</u>	<u>42,442</u>	<u>801</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 31,409</u>	<u>\$ 3,155</u>	<u>\$ 444,345</u>	<u>\$ 60,501</u>	<u>\$ 35,000</u>	<u>\$ -</u>	<u>\$ (27,109)</u>	<u>\$ 5,738</u>	<u>\$ 654</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
For the Year Ended June 30, 2019

2016/17 High Ability Grant	2017/18 High Ability Grant	Formative Assessmt Grant	Special Education Student Reimbursement	Pre-School Program	2017/18 Dual Language Immersion	2014 Secured Schools Safety Gr	2017/18 Secured School Safety Gt	I Pad Insurance Fund	2016/17 Non-English Speaking
\$ -	\$ -	\$ -	\$ -	\$ 198,613	\$ -	\$ -	\$ 5,000	\$ 10,777	\$ -
-	-	-	-	-	-	-	-	-	-
-	-	62,015	115,968	-	31,368	100,000	-	-	25,500
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	50	-
<u>-</u>	<u>-</u>	<u>62,015</u>	<u>115,968</u>	<u>198,613</u>	<u>31,368</u>	<u>100,000</u>	<u>5,000</u>	<u>10,827</u>	<u>25,500</u>
-	1,842	69,518	130,285	141,288	16,790	-	-	-	-
1,792	9,486	-	-	439	-	27,188	-	11,168	977
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>1,792</u>	<u>11,328</u>	<u>69,518</u>	<u>130,285</u>	<u>141,727</u>	<u>16,790</u>	<u>27,188</u>	<u>-</u>	<u>11,168</u>	<u>977</u>
<u>(1,792)</u>	<u>(11,328)</u>	<u>(7,503)</u>	<u>(14,317)</u>	<u>56,886</u>	<u>14,578</u>	<u>72,812</u>	<u>5,000</u>	<u>(341)</u>	<u>24,523</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
<u>(1,792)</u>	<u>(11,328)</u>	<u>(7,503)</u>	<u>(14,317)</u>	<u>56,886</u>	<u>14,578</u>	<u>72,812</u>	<u>5,000</u>	<u>(341)</u>	<u>24,523</u>
<u>1,792</u>	<u>11,328</u>	<u>7,503</u>	<u>-</u>	<u>(31,661)</u>	<u>17,741</u>	<u>-</u>	<u>(5,000)</u>	<u>27,699</u>	<u>1,508</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,317)</u>	<u>\$ 25,225</u>	<u>\$ 32,319</u>	<u>\$ 72,812</u>	<u>\$ -</u>	<u>\$ 27,358</u>	<u>\$ 26,031</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
For the Year Ended June 30, 2019

	Technology Contingency Fund	Career Tech Perf Grant	2014/15 Excellence In Performance	2018/19 High Ability Grant	2018/19 Title I - Yoc	2018/19 Title I Basic Grant	2018/19 Title I 1003G Sig Sms
<b>REVENUES</b>							
Local sources	\$ 27,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-	-	-
State sources	300	16,528	149,508	48,193	-	-	-
Federal sources	-	-	-	-	146,122	1,300,989	135,443
Temporary loans	-	-	-	-	-	-	-
Other	1,642	-	-	-	-	-	-
Total Revenues	<u>28,952</u>	<u>16,528</u>	<u>149,508</u>	<u>48,193</u>	<u>146,122</u>	<u>1,300,989</u>	<u>135,443</u>
<b>EXPENDITURES</b>							
Current							
Instruction	-	10,507	149,508	13,539	154,275	724,240	17,623
Support services	-	-	-	6,976	-	840,719	115,475
Community services	-	-	-	-	-	11,362	-
Facilities acquisition and construction	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-
Debt Service							
Principal paid on debt	-	-	-	-	-	-	-
Interest on debt	-	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>10,507</u>	<u>149,508</u>	<u>20,515</u>	<u>154,275</u>	<u>1,576,321</u>	<u>133,098</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,952</u>	<u>6,021</u>	<u>-</u>	<u>27,678</u>	<u>(8,153)</u>	<u>(275,332)</u>	<u>2,345</u>
<b>OTHER FINANCING SOURCES</b>							
Debt proceeds	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-
Transfer in	-	-	-	-	-	5,000	-
Transfer out	-	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	<u>28,952</u>	<u>6,021</u>	<u>-</u>	<u>27,678</u>	<u>(8,153)</u>	<u>(270,332)</u>	<u>2,345</u>
<b>FUND BALANCE (DEFICIT) -</b>							
Beginning of Year	<u>428,537</u>	<u>11,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE (DEFICIT) -</b>							
END OF YEAR	<u>\$ 457,489</u>	<u>\$ 17,694</u>	<u>\$ -</u>	<u>\$ 27,678</u>	<u>\$ (8,153)</u>	<u>\$ (270,332)</u>	<u>\$ 2,345</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
**For the Year Ended June 30, 2019**

2017/18 Title I 1003G Sig Sms	2017/18 Title I Sig - Sms/Ewa	2017/18 Title I Negl/Del-Yoc	2017/18 Title I Basic	2015/16 Title I Basic	Preschool Muncie Fy 18 Pt.B619	2018/19 Special Ed Preschool	2017/18 Sp. Ed. IDEA Muncie	2018/19 Sp. Ed. IDEA Muncie	2016/17 Sp. Ed. Preschool	2016/17 Sp. Ed. IDEA Muncie	2016/17 Idea Pass Thru Coop619
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,963	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	14,133	-	-	-	-	-
189,740	25,250	97,260	1,472,353	52,500	-	88,283	-	-	32,102	26,759	47,227
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>189,740</u>	<u>25,250</u>	<u>97,260</u>	<u>1,472,353</u>	<u>52,500</u>	<u>-</u>	<u>148,379</u>	<u>-</u>	<u>-</u>	<u>32,102</u>	<u>26,759</u>	<u>47,227</u>
6,239	-	91,621	943,860	-	6,328	151,045	126,689	1,360,489	26,080	313	54,065
123,044	25,250	-	186,193	93,065	-	-	22,310	151,496	265	477	-
-	-	-	19,121	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	2,335	22,977	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
<u>129,283</u>	<u>25,250</u>	<u>93,956</u>	<u>1,172,151</u>	<u>93,065</u>	<u>6,328</u>	<u>151,045</u>	<u>148,999</u>	<u>1,511,985</u>	<u>26,345</u>	<u>790</u>	<u>54,065</u>
60,457	-	3,304	300,202	(40,565)	(6,328)	(2,666)	(148,999)	(1,511,985)	5,757	25,969	(6,838)
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	51,240	-	554,497	1,163,651	-	-	-
-	-	-	-	-	-	-	-	-	(13,491)	(38,265)	-
-	-	-	-	-	51,240	-	554,497	1,163,651	(13,491)	(38,265)	-
<u>60,457</u>	<u>-</u>	<u>3,304</u>	<u>300,202</u>	<u>(40,565)</u>	<u>44,912</u>	<u>(2,666)</u>	<u>405,498</u>	<u>(348,334)</u>	<u>(7,734)</u>	<u>(12,296)</u>	<u>(6,838)</u>
<u>(60,457)</u>	<u>-</u>	<u>(3,304)</u>	<u>(300,202)</u>	<u>-</u>	<u>(44,912)</u>	<u>-</u>	<u>(434,953)</u>	<u>-</u>	<u>7,734</u>	<u>12,296</u>	<u>6,838</u>
\$ -	\$ -	\$ -	\$ -	\$ (40,565)	\$ -	\$ (2,666)	\$ (29,455)	\$ (348,334)	\$ -	\$ -	\$ -

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
For the Year Ended June 30, 2019

	2016/17 Idea Pss Thru Coop611	2018 Part B 619 Coop Pt E'Nd	2018 Part B 611 Coop Pt E'Nd	Pre-Sch CFDA #84.173	Macc-Abe-Cte	2016/17 Adult Basic Education	2017/18 Adult Basic Education	2018/19 Adult Basic Education	2017/19 Title IV
<b>REVENUES</b>									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90	\$ -
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	26,759	22,087	808,353	126,856	799	29,067	108,092	334,428	-
Temporary loans	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Revenues	<u>26,759</u>	<u>22,087</u>	<u>808,353</u>	<u>126,856</u>	<u>799</u>	<u>29,067</u>	<u>108,092</u>	<u>334,518</u>	<u>-</u>
<b>EXPENDITURES</b>									
Current									
Instruction	33,387	22,819	953,279	157,416	17,261	-	15,728	356,215	-
Support services	-	-	-	-	-	-	-	-	103,753
Community services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Debt Service									
Principal paid on debt	-	-	-	-	-	-	-	-	-
Interest on debt	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>33,387</u>	<u>22,819</u>	<u>953,279</u>	<u>157,416</u>	<u>17,261</u>	<u>-</u>	<u>15,728</u>	<u>356,215</u>	<u>103,753</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,628)</u>	<u>(732)</u>	<u>(144,926)</u>	<u>(30,560)</u>	<u>(16,462)</u>	<u>29,067</u>	<u>92,364</u>	<u>(21,697)</u>	<u>(103,753)</u>
<b>OTHER FINANCING SOURCES</b>									
Debt proceeds	-	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	-	-
Transfer in	-	-	-	-	-	-	-	-	-
Transfer out	-	(51,240)	(554,497)	-	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>(51,240)</u>	<u>(554,497)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(6,628)</u>	<u>(51,972)</u>	<u>(699,423)</u>	<u>(30,560)</u>	<u>(16,462)</u>	<u>29,067</u>	<u>92,364</u>	<u>(21,697)</u>	<u>(103,753)</u>
FUND BALANCE (DEFICIT) - Beginning of Year	<u>-</u>	<u>51,972</u>	<u>651,139</u>	<u>-</u>	<u>16,462</u>	<u>(29,067)</u>	<u>(92,364)</u>	<u>-</u>	<u>92,697</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (6,628)</u>	<u>\$ -</u>	<u>\$ (48,284)</u>	<u>\$ (30,560)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (21,697)</u>	<u>\$ (11,056)</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
**For the Year Ended June 30, 2019**

2018/20 Title IV, Part A Grant	2016/17 Perkins Grant	2017/18 Perkins Grant	2018/19 Perkins Grant	2016/17 21St Cclc Bsu/Lf Mp3	2018/19 Mp3 - Ball Brother	2018/19 Mp3 - United Way Grant	2018/19 Mp3 Xstream Grant	2017/18 21St Cclc Bsu/Lf Mp3
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,515	\$ 27,520	\$ 46,235	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
52,820	43,648	26,743	88,648	150,490	-	-	-	15,926
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>52,820</u>	<u>43,648</u>	<u>26,743</u>	<u>88,648</u>	<u>150,490</u>	<u>38,515</u>	<u>27,520</u>	<u>46,235</u>	<u>15,926</u>
1,125	865	11,893	121,394	147,834	42,494	30,265	55,227	-
71,858	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	30,848	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>72,983</u>	<u>865</u>	<u>42,741</u>	<u>121,394</u>	<u>147,834</u>	<u>42,494</u>	<u>30,265</u>	<u>55,227</u>	<u>-</u>
<u>(20,163)</u>	<u>42,783</u>	<u>(15,998)</u>	<u>(32,746)</u>	<u>2,656</u>	<u>(3,979)</u>	<u>(2,745)</u>	<u>(8,992)</u>	<u>15,926</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(20,163)</u>	<u>42,783</u>	<u>(15,998)</u>	<u>(32,746)</u>	<u>2,656</u>	<u>(3,979)</u>	<u>(2,745)</u>	<u>(8,992)</u>	<u>15,926</u>
-	(42,783)	15,998	-	(2,656)	-	-	-	(15,926)
<u>\$ (20,163)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (32,746)</u>	<u>\$ -</u>	<u>\$ (3,979)</u>	<u>\$ (2,745)</u>	<u>\$ (8,992)</u>	<u>\$ -</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE**  
For the Year Ended June 30, 2019

	2015/16 Title IIa-Impr.Teach	2016/18 Title IIa-Impr Teach	2017/19 Title IIa Impr Teach	2018/20 Title IIi Grant	2018/20 Title IIi Grant	Title Iii Engl.Profici	2017/18 NESP	TOTAL NONMAJOR
<b>REVENUES</b>								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,567,742
Intermediate sources	-	-	-	-	-	-	-	750
State sources	-	-	-	-	-	-	-	1,015,129
Federal sources	7,121	37,316	237,421	7,580	124	-	-	8,279,214
Temporary loans	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	1,692
Total Revenues	<u>7,121</u>	<u>37,316</u>	<u>237,421</u>	<u>7,580</u>	<u>124</u>	<u>-</u>	<u>-</u>	<u>14,864,527</u>
<b>EXPENDITURES</b>								
Current								
Instruction	-	-	-	-	-	-	-	6,696,029
Support services	-	21,454	223,165	907	2,902	385	6,585	4,118,347
Community services	-	-	11,546	5,224	-	-	4,000	2,674,230
Facilities acquisition and construction	-	-	-	-	-	-	-	-
Nonprogrammed charges	4,771	37,316	-	-	-	-	-	418,556
Debt Service								
Principal paid on debt	-	-	-	-	-	-	-	891,000
Interest on debt	-	-	-	-	-	-	-	-
Total Expenditures	<u>4,771</u>	<u>58,770</u>	<u>234,711</u>	<u>6,131</u>	<u>2,902</u>	<u>385</u>	<u>10,585</u>	<u>14,798,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,350</u>	<u>(21,454)</u>	<u>2,710</u>	<u>1,449</u>	<u>(2,778)</u>	<u>(385)</u>	<u>(10,585)</u>	<u>66,365</u>
<b>OTHER FINANCING SOURCES</b>								
Debt proceeds	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	84
Transfer in	-	-	-	-	-	-	-	3,661,282
Transfer out	-	(50,735)	-	-	-	-	-	(1,774,396)
Total Other Financing Sources	<u>-</u>	<u>(50,735)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,886,970</u>
Net change in fund balance	<u>2,350</u>	<u>(72,189)</u>	<u>2,710</u>	<u>1,449</u>	<u>(2,778)</u>	<u>(385)</u>	<u>(10,585)</u>	<u>1,953,335</u>
FUND BALANCE (DEFICIT) -								
Beginning of Year	<u>(2,350)</u>	<u>71,920</u>	<u>(36,194)</u>	<u>-</u>	<u>-</u>	<u>385</u>	<u>10,585</u>	<u>1,144,362</u>
FUND BALANCE (DEFICIT) -								
END OF YEAR	<u>\$ -</u>	<u>\$ (269)</u>	<u>\$ (33,484)</u>	<u>\$ 1,449</u>	<u>\$ (2,778)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,097,697</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS**  
June 30, 2019

	Fieldhouse Repairs	Capital Projects Fund	School Bus Replacement Fund	Total Nonmajor
<b>ASSETS</b>				
Cash and investments	\$ 1,634	\$ -	\$ -	\$ 1,634
Receivables				
Taxes receivable	-	-	-	-
Accounts	-	-	-	-
Intergovernmental receivable	-	-	-	-
Prepaid items	-	-	-	-
	<u>1,634</u>	<u>-</u>	<u>-</u>	<u>1,634</u>
TOTAL ASSETS	<u>\$ 1,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,634</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 105,535	\$ -	\$ -	\$ 105,535
Accrued wages and payroll withholding	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>105,535</u>	<u>-</u>	<u>-</u>	<u>105,535</u>
Deferred Inflows of Resources				
Unearned revenue	-	-	-	-
Unavailable revenue	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned (deficit)	<u>(103,901)</u>	<u>-</u>	<u>-</u>	<u>(103,901)</u>
Total Fund Balances	<u>(103,901)</u>	<u>-</u>	<u>-</u>	<u>(103,901)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 1,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,634</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS**  
For the Year Ended June 30, 2019

	Fieldhouse Repairs	Capital Projects Fund	School Bus Replacement Fund	Total Nonmajor
<b>REVENUES</b>				
Local sources	\$ -	\$ 2,477,115	\$ 1,809	\$ 2,478,924
Intermediate sources	-	-	-	-
State sources	-	-	-	-
Federal sources	-	-	-	-
Temporary loans	-	-	-	-
Other	40,300	-	-	40,300
Total Revenues	<u>40,300</u>	<u>2,477,115</u>	<u>1,809</u>	<u>2,519,224</u>
<b>EXPENDITURES</b>				
Current				
Instruction	-	-	-	-
Support services	1,058,281	1,641,040	-	2,699,321
Community services	-	-	-	-
Facilities acquisition and construction	-	472,772	-	472,772
Nonprogrammed charges	-	-	-	-
Debt Service				
Principal paid on debt	-	1,400,000	-	1,400,000
Interest on debt	-	-	-	-
Total Expenditures	<u>1,058,281</u>	<u>3,513,812</u>	<u>-</u>	<u>4,572,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,017,981)</u>	<u>(1,036,697)</u>	<u>1,809</u>	<u>(2,052,869)</u>
<b>OTHER FINANCING SOURCES</b>				
Debt proceeds	-	-	-	-
Sale of property	-	-	-	-
Transfer in	33,000	-	-	33,000
Transfer out	-	(862,691)	(165,560)	(1,028,251)
Total Other Financing Sources	<u>33,000</u>	<u>(862,691)</u>	<u>(165,560)</u>	<u>(995,251)</u>
Net change in fund balance	<u>(984,981)</u>	<u>(1,899,388)</u>	<u>(163,751)</u>	<u>(3,048,120)</u>
FUND BALANCE (DEFICIT) -				
Beginning of Year	<u>881,080</u>	<u>1,899,388</u>	<u>163,751</u>	<u>2,944,219</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (103,901)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (103,901)</u>

MUNCIE COMMUNITY SCHOOL CORPORATION  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
 PRIVATE PURPOSE TRUST FUNDS  
 June 30, 2019

<u>Assets</u>	<u>Muncie Central Highschool</u>	<u>Northside Middle School</u>	<u>Southside Middle School</u>	<u>East Washington Academy</u>	<u>Grissom Elementary School</u>	<u>Longfellow Elementary School</u>
Cash and cash equivalents	<u>\$ 180,740</u>	<u>\$ 39,310</u>	<u>\$ 34,937</u>	<u>\$ 26,382</u>	<u>\$ 15,314</u>	<u>\$ 14,551</u>
<u>Net Position</u>						
Restricted for trusts	<u>\$ 180,740</u>	<u>\$ 39,310</u>	<u>\$ 34,937</u>	<u>\$ 26,382</u>	<u>\$ 15,314</u>	<u>\$ 14,551</u>

MUNCIE COMMUNITY SCHOOL CORPORATION  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -  
 PRIVATE PURPOSE TRUST FUNDS  
 June 30, 2019

	<u>North View Elementary School</u>	<u>South View Elementary School</u>	<u>West View Elementary School</u>	<u>Muncie Area Career Center</u>	<u>Totals</u>
<u>Assets</u>					
Cash and cash equivalents	<u>\$ 29,236</u>	<u>\$ 15,322</u>	<u>\$ 26,284</u>	<u>\$ 70,903</u>	<u>\$ 452,979</u>
<u>Net Position</u>					
Restricted for trusts	<u>\$ 29,236</u>	<u>\$ 15,322</u>	<u>\$ 26,284</u>	<u>\$ 70,903</u>	<u>\$ 452,979</u>

MUNCIE COMMUNITY SCHOOL CORPORATION  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
 PRIVATE PURPOSE TRUST FUNDS  
 For the Fiscal Year Ended June 30, 2019

	Muncie Central Highschool	Northside Middle School	Southside Middle School	East Washington Academy	Grissom Elementary School
<u>Additions</u>					
Student receipts	\$ 184,745	\$ 142,431	\$ 123,696	\$ 174,019	\$ 26,759
Faculty receipts	3,377	1,554	-	-	5,081
Athletic receipts	152,287	-	36,733	-	-
Fundraisers	34,041	-	-	-	-
Other	44,113	9,472	6,328	21,220	23,235
Total additions	<u>418,563</u>	<u>153,457.0</u>	<u>166,757</u>	<u>195,239</u>	<u>55,075</u>
<u>Deductions</u>					
Student activities	403,300	96,526	138,691	148,269	20,109
Support services	-	38,996	23,708	19,863	10,232
Instruction	-	7,415	-	3,410	1,288
Other	43,586	1,608	5,428	21,976	22,324
Total deductions	<u>446,886</u>	<u>\$ 144,545</u>	<u>167,827</u>	<u>193,518</u>	<u>53,953</u>
Changes in net position	(28,323)	\$ 8,912	(1,070)	\$ 1,721	\$ 1,122
Net position restricted for trusts - beginning	<u>209,063</u>	<u>\$ 30,398</u>	<u>36,007</u>	<u>24,661</u>	<u>14,192</u>
Net position restricted for trusts - ending	<u><u>\$ 180,740</u></u>	<u><u>\$ 39,310</u></u>	<u><u>\$ 34,937</u></u>	<u><u>\$ 26,382</u></u>	<u><u>\$ 15,314</u></u>

MUNCIE COMMUNITY SCHOOL CORPORATION  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
 PRIVATE PURPOSE TRUST FUNDS  
 For the Fiscal Year Ended June 30, 2019

<u>Additions</u>	<u>Longfellow Elementary School</u>	<u>North View Elementary School</u>	<u>South View Elementary School</u>	<u>West View Elementary School</u>	<u>Muncie Area Career Center</u>	<u>Total</u>
Student receipts	\$ 35,350	\$ 32,615	\$ 15,090	\$ 40,035	\$ 39,200	813,940
Faculty receipts	-	570	-	658	325	11,565
Athletic receipts	-	-	-	-	-	189,020
Fundraisers	-	-	-	-	-	34,041
Other	699	3,116	13,405	120	8,185	129,893
Total additions	<u>36,049</u>	<u>36,301</u>	<u>28,495</u>	<u>40,813</u>	<u>47,710</u>	<u>1,178,459</u>
 <u>Deductions</u>						
Student activities	16,316.00	17,663	3,932	20,780	29,852	895,438
Support services	11,229	11,029	10,976	11,116	-	137,149
Instruction	-	6,522	826	7,211	5,576	32,248
Other	38	721	13,405	1,379	7,713	118,178
Total deductions	<u>\$ 27,583</u>	<u>35,935</u>	<u>29,139</u>	<u>40,486</u>	<u>43,141</u>	<u>1,183,013</u>
Changes in net position	\$ 8,466	\$ 366	\$ (644)	\$ 327	\$ 4,569	(4,554)
Net position restricted for trusts - beginning	<u>6,085</u>	<u>28,870</u>	<u>15,966</u>	<u>25,957</u>	<u>66,334</u>	<u>457,533</u>
Net position restricted for trusts - ending	<u><u>\$ 14,551</u></u>	<u><u>\$ 29,236</u></u>	<u><u>\$ 15,322</u></u>	<u><u>\$ 26,284</u></u>	<u><u>\$ 70,903</u></u>	<u><u>\$ 452,979</u></u>

HAMILTON COUNTY, INDIANA  
 COMBINING BALANCE SHEET  
 AGENCY FUNDS  
 December 31, 2018

<u>Assets</u>	<u>Prepaid Lunch</u>	<u>Payroll Withholdings</u>	<u>Totals</u>
Cash and cash equivalents	\$ 30,902	\$ 88,304	\$ 119,206
Total assets	<u>\$ 30,902</u>	<u>\$ 88,304</u>	<u>\$ 119,206</u>
<u>Liabilities</u>			
Liabilities:			
Trust funds payable	\$ 30,902	\$ 88,304	\$ 119,206
Total liabilities	<u>\$ 30,902</u>	<u>\$ 88,304</u>	<u>\$ 119,206</u>

**MUNCIE COMMUNITY SCHOOLS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**For the Year Ended June 30, 2019**

	<u>Balance, January 1</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, December 31</u>
Prepaid lunch:				
Assets:				
Cash and cash equivalents	\$ 6,524	\$ 415,361	\$ 390,983	\$ 30,902
Total assets	<u>\$ 6,524</u>	<u>\$ 415,361</u>	<u>\$ 390,983</u>	<u>\$ 30,902</u>
Liabilities:				
Prepaid meals payable	\$ 6,524	\$ 415,361	\$ 390,983	\$ 30,902
Total liabilities	<u>\$ 6,524</u>	<u>\$ 415,361</u>	<u>\$ 390,983</u>	<u>\$ 30,902</u>
Payroll Withholding:				
Assets:				
Cash and cash equivalents	\$ 147,773	\$ 5,678,008	\$ 5,737,477	\$ 88,304
Total assets	<u>\$ 147,773</u>	<u>\$ 5,678,008</u>	<u>\$ 5,737,477</u>	<u>\$ 88,304</u>
Liabilities				
Payroll withholdings payable	\$ 147,773	\$ 5,678,008	\$ 5,737,477	\$ 88,304
Total liabilities	<u>\$ 147,773</u>	<u>\$ 5,678,008</u>	<u>\$ 5,737,477</u>	<u>\$ 88,304</u>