

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

FINANCIAL STATEMENTS AUDIT REPORT
MUNCIE COMMUNITY SCHOOL CORPORATION
DELAWARE COUNTY, INDIANA
July 1, 2019 to June 30, 2020



FILED
10/30/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Brad DeRome	07-01-19 to 06-30-21
Superintendent of Schools	Dr. Lee Ann Kwiatkowski, Ed.D	07-01-19 to 06-30-21
President of the School Board	James Williams	07-01-19 to 06-30-21



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE MUNCIE COMMUNITY SCHOOLS, DELAWARE COUNTY, 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, 2020, and the related notes to the financial statements, which collectively comprise the School Corporation's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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 and associated expense of \$8,926,179, and the Net Pension Liability disclosed in the Notes to the Financial Statements of \$100,524,900, have not been audited and we were not engaged to audit such information as part of our audit of the School Corporation's basic financial statements. The contribution from the State is included in the School Corporation's basic financial statements and represent 11.1 percent and 12.9 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 respective financial position of the governmental activities of the School Corporation, as of June 30, 2020, and the changes in financial position thereof and 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 the aggregate remaining fund information of the School Corporation, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, B., to the financial statements the School Corporation adopted new accounting guidance GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* and GASB Statement No. 84 - *Fiduciary Activities*. Our opinion is not modified with respect to these matters.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Matters

Required Supplementary Information

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

Other Information


Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The accompanying Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds, Combining Balance Sheet - Nonmajor Special Revenue Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Special Revenue, Combining Balance Sheet Nonmajor Governmental Funds - Debt Service Fund, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Debt Service Funds, Combining Balance Sheet Nonmajor Governmental Funds - Capital Project Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Capital Projects, Combining Statement of Fiduciary Net Position - Custodial Funds, and Combining Statement of Changes in Fiduciary Net Position - Custodial Funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT
(Continued)

The Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds, Combining Balance Sheet - Nonmajor Special Revenue Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Special Revenue, Combining Balance Sheet Nonmajor Governmental Funds - Debt Service Fund, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Debt Service Funds, Combining Balance Sheet Nonmajor Governmental Funds - Capital Project Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Capital Projects, Combining Statement of Fiduciary Net Position - Custodial Funds, Combining Statement of Changes in Fiduciary Net Position - Custodial Funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Balance Sheet - Nonmajor Governmental Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds, Combining Balance Sheet - Nonmajor Special Revenue Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Special Revenue, Combining Balance Sheet Nonmajor Governmental Funds - Debt Service Fund, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Debt Service Funds, Combining Balance Sheet Nonmajor Governmental Funds - Capital Project Funds, Combining Statement of Revenues Expenditures and Changes in Fund Balances Nonmajor Governmental Funds - Capital Projects, Combining Statement of Fiduciary Net Position - Custodial Funds, and Combining Statement of Changes in Fiduciary Net Position - Custodial Funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2020, 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 22, 2020

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, 2020. 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 \$33,953 (reported as net position). Of this amount, (\$12,718) 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 \$29,779.
- At the end of the current fiscal year, the fund balance for the operations fund was \$1,560 which represented 11.5% of the total operations fund expenditures, excluding transfers out.
- Muncie Community Schools' total bond related debt during the current fiscal year was \$36,282.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 20-21 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 69 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Education Fund, Debt Service Fund, Operations Fund, and Rainy Day Fund. Data for 65 Muncie Community Schools governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report. Muncie Community Schools adopts an annual appropriated budget for its operations, educational and debt service funds. Budgetary comparison schedules have been provided for the major special revenue funds in the required supplementary 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 22-24 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 25-27 of this report.

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

The basic fiduciary fund financial statements can be found on pages 28-29 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 30-75 of this report.

Required supplementary information can be found on pages 76-89 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 90-129 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 \$33,953 at the close of the most recent fiscal year.

The largest portion, \$30,014 (88.4%) 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

	<u>Governmental-Type Activities</u>	
	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 39,028	\$ 38,137
Capital assets	<u>51,600</u>	<u>48,798</u>
Total assets	<u>90,628</u>	<u>86,935</u>
Deferred outflow of resources	<u>3,027</u>	<u>3,649</u>
Long-term liabilities outstanding	51,801	55,510
Other liabilities	<u>3,195</u>	<u>3,285</u>
Total liabilities	<u>54,996</u>	<u>58,795</u>
Deferred inflow of resources	<u>4,706</u>	<u>4,760</u>
Net investment in capital assets	16,656	17,110
Restricted	30,014	35,990
Unrestricted	<u>(12,717)</u>	<u>(26,072)</u>
Total net position	<u>\$ 33,953</u>	<u>\$ 27,028</u>

An additional portion of Muncie Community Schools' net position, \$16,656 (49.1%), 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

	Governmental Activities	
	Fiscal year Ended June 30, 2020	Fiscal year Ended June 30, 2019
Revenues:		
Program Revenues:		
Charges for Services	\$ 766	\$ 1,484
Operating Grants and Contributions	14,501	10,895
Capital Grants and Contributions	-	15
General Revenues:		
Taxes:		
Property	10,650	10,431
Other	1,409	1,182
State aid	40,763	40,897
Grants and contributions not restricted to a specific program	145	3,556
Contributions	8,926	9,079
Other	3,472	2,340
Total Revenues	80,632	79,879
Expenses:		
Instruction	38,307	41,673
Support Services	22,155	19,769
Community Services	3,671	2,896
Facilities Acquisition and Construction	1,193	345
Interest on Long Term Debt	1,187	603
Nonprogrammed Charges	2,739	5,415
Total Expenses	69,252	70,701
Change in net position	11,380	9,178
Net position - beginning	27,028	17,850
Net position - prior period adjustment	(4,455)	-
Net Position at June 30	33,953	27,028

The prior period adjustment reflects the implementation of GASB 75 to recognize the liabilities associated with other postemployment benefits of \$156; a correction for capital assets removed from service prior to June 30, 2019 of (\$4,302), the reclassification of special education clearing accounts from special revenue to custodial funds of (\$81) and the inclusion of the payroll funds as a special revenue fund instead of a private purpose trust fund of \$84. Information for fiscal year ended June 30, 2019 has not been restated for the prior period adjustments.

Significant changes to revenues include the following:

Other revenues increased \$1,132 over fiscal year ending June 30, 2019. This was mainly due to transfers from special revenue clearing accounts.

Charges for services decreased \$718 from fiscal year June 30, 2019.

Significant changes in expenditures include the following:

Support services increase \$2,386 from fiscal year ending June 30, 2019, mainly due to additional resources being available to hire support staff.

Community services increased \$775 from fiscal year ending June 30, 2019. Mainly due to special education funds being reclassified as custodial

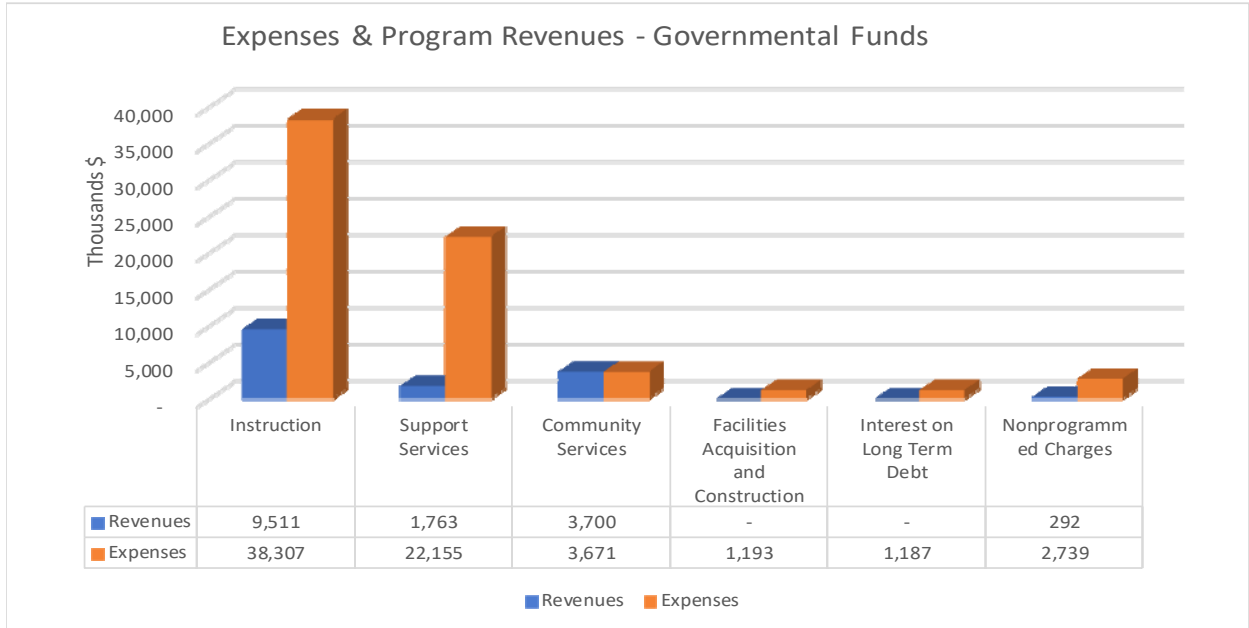
Non programmed charges decreased by \$2,676 from fiscal year June 30, 2019 mainly due debt paid on bonds.

Muncie Community Schools' overall cash and investments position, \$27,576 decreased \$2,009 from the fiscal year ended June 30, 2019. Muncie Community Schools' property tax rate for 2020 is \$1.2729 per \$100 of assessed value an increase of \$0.1242 from 2019.

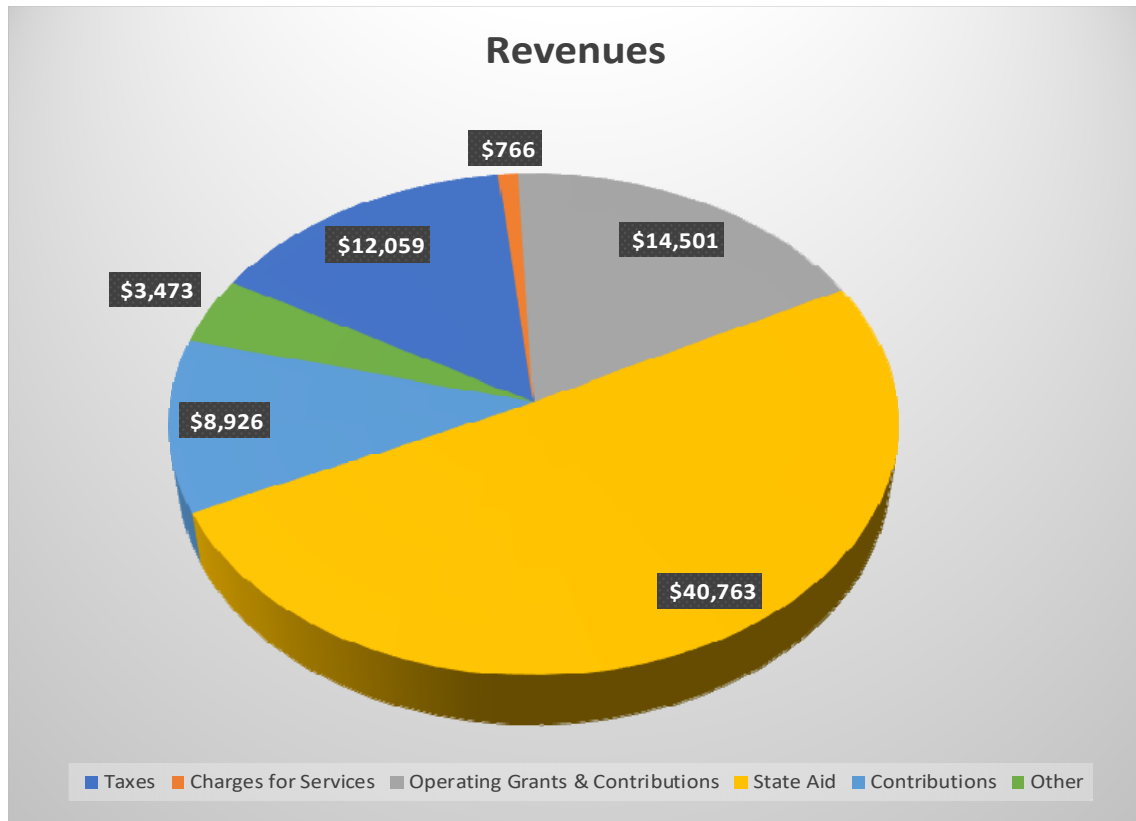
Program Revenue and Expenses – Governmental Activities

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:



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



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Muncie Community Schools' governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Muncie Community Schools' financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, Muncie Community Schools' governmental funds reported combined ending fund balances of \$29,779. 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 \$29,779. The fund balance has restricted fund balance of \$27,858, committed fund balance of \$2,183, and unassigned fund balance of (\$262). (See Note 3F)

The operations fund is the chief operating fund of Muncie Community Schools. The fund balance of Muncie Community Schools' operations fund is \$1,560 during the current fiscal year. Key factors are as follows:

- Expenditures exceeded revenues by \$11,623, excluding other financing sources and uses.
- Major sources of revenue include local sources (\$1,893) and transfers (\$12,343).
- Major expenditures include support services (\$11,877) and capital outlay (\$1,585).

The education fund is also a major fund for the current fiscal year. The fund balance for this major fund is \$10,695. The expenditures include instruction of \$23,433 and support services of \$6,256.

Several other non-major funds saw significant balance variances during the year.

The Cafeteria Fund balance increased \$524 due to increased revenues from federal grants with the district changing to 100% free and reduced lunch.

The Textbook Rental fund balance increased by \$1,172 due to increased revenues from federal grants with the district changing to 100% free and reduced lunch.

The Building Corporation saw fund balance decrease by \$1,009 due to final payment from escrow for a refunded bond.

The 2014 GO Construction Bond fund had a decrease in fund balance of \$6,911 due to the spending of bond funds for the improvement of several school buildings.

Budgetary Highlights

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

Capital Asset and Debt Administration

Capital assets. Muncie Community Schools' investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$51,298 (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 III C).

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

- Construction in progress expenditures totaling \$6,192 related to projects for a roofing project for several schools.

The following table displays Muncie Community Schools' capital assets.

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

Description	Governmental-Type Activities	
	2020	2019
Land	\$ 204	\$ 475
Construction in progress	1,812	1,079
Buildings	88,024	87,185
Improvements other than buildings	2,058	3,058
Machinery and equipment	3,259	3,939
Total Capital Assets	95,357	95,736
Accumulated Depreciation	(43,757)	(46,938)
Net Capital Assets	<u>\$ 51,600</u>	<u>\$ 48,798</u>

Long-term debt. At the end of the current fiscal year, Muncie Community Schools had total long-term debt related liabilities outstanding of \$51,950. Of this amount \$36,282 is comprised of bonds and \$12,360 of loans from the State.

The following table details the school's debt.

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

Description	Governmental-Type Activities	
	2020	2019
General obligation	\$ 36,282	\$ 39,783
Loan payable	12,360	12,000
Compensated absences	597	411
Net OPEB obligation	109	-
Net pension liabilities	2,602	3,315
Totals	<u>\$ 51,950</u>	<u>\$ 55,509</u>

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

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

Muncie Community Schools 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, 2020 of \$2,602. Additional information on the pension plans can be found in the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

- The 2020 tax rates for Muncie Community Schools increased .1242 to a rate of 1.2729 per \$100 in assessed value in 2019. Overall Muncie Community Schools' assessed value decreased by 2.49% from 2019 to 2020.

All the above factors were considered in preparing Muncie Community Schools' budget for the 2020 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, 4301 S Cowan Rd, Muncie, IN 47302.

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BASIC FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were prepared by management of the School Corporation. The financial statements and notes are presented as intended by the School Corporation.

MUNCIE COMMUNITY SCHOOLS

STATEMENT OF NET POSITION June 30, 2020

	Governmental Activities
ASSETS	
Cash and investments	\$ 28,000,120
Receivables (net)	
Taxes receivable	5,618,961
Intergovernmental receivable	4,361,032
Accounts	217,238
Prepaid expenses	203,106
Capital Assets	
Land and construction in progress	2,016,174
Other capital assets, net of depreciation	49,583,927
Net pension asset	<u>627,977</u>
Total Assets	<u>90,628,536</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts	<u>3,026,840</u>
LIABILITIES	
Accounts payable	1,006,925
Accrued wages and payroll withholding payable	1,368,853
Interest payable	472,850
Compensated absences payable	149,170
Claims payable	197,333
Noncurrent Liabilities	
Due within one year	
Bonds payable	3,330,000
Loans payable	680,000
Due in more than one year	
Loans payable	11,680,000
Bonds payable (net of premiums)	32,952,275
Compensated absences	447,512
Total OPEB Obligation	108,740
Net pension liabilities	<u>2,602,407</u>
Total Liabilities	<u>54,996,065</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related amounts	<u>4,706,465</u>
NET POSITION	
Net investment in capital assets	16,656,360
Restricted for:	
Instruction	11,901,709
Support services	5,455,731
Community services	61,218
Building acquisition and construction	7,607,930
Other	754,216
Debt service	4,233,331
Unrestricted	<u>(12,717,649)</u>
TOTAL NET POSITION	\$ <u>33,952,846</u>

The accompanying notes are an integral part of this statement

MUNCIE COMMUNITY SCHOOLS

STATEMENT OF ACTIVITIES
For the year ended June 30, 2020

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Position	
				Governmental Activities	Totals
Governmental Activities:					
Instruction	\$ 38,306,739	\$ 182,069	\$ 9,329,241	\$ (28,795,429)	\$ (28,795,429)
Support services	22,154,895	291,336	1,471,729	(20,391,830)	(20,391,830)
Community services	3,671,446	-	3,700,092	28,646	28,646
Facilities acquisition and construction	1,193,171	-	-	(1,193,171)	(1,193,171)
Interest on long term debt	1,186,936	-	-	(1,186,936)	(1,186,936)
Nonprogrammed charges	2,739,211	292,367	-	(2,446,844)	(2,446,844)
Total Governmental Activities	<u>69,252,398</u>	<u>765,772</u>	<u>14,501,062</u>	<u>(53,985,564)</u>	<u>(53,985,564)</u>
General Revenues:					
Property taxes				10,650,060	10,650,060
Other taxes				1,408,943	1,408,943
State aid				40,762,735	40,762,735
Grants and contributions not restricted to specific programs				144,540	144,540
Investment income				82,612	82,612
Nonemployer entity contributions				8,926,179	
Miscellaneous				1,833,437	1,833,437
Gain on disposal of assets				8,236	8,236
Transfers				1,548,218	1,548,218
Total General Revenues				<u>65,364,960</u>	<u>65,364,960</u>
Change in Net Position				11,379,396	2,453,217
NET POSITION - Beginning of Year					
NET POSITION - Beginning of Year				27,028,263	27,028,263
Adjustment to net position - Net OPEB Obligation				(156,209)	(156,209)
Adjustment to correct prior period error				(4,301,697)	(4,301,697)
Adjustment to net position - reclassification from Special Revenue to Custodial				(81,118)	(81,118)
Adjustment to net position - reclassification of funds from Custodial to Special Revenue				84,211	84,211
NET POSITION - Beginning as adjusted				<u>22,573,450</u>	<u>22,573,450</u>
NET POSITION - END OF YEAR				<u>\$ 33,952,846</u>	<u>\$ 25,026,667</u>

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of the financial statement

MUNCIE COMMUNITY SCHOOLS

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	Education Fund	Debt Service Fund	Operations Fund	Rainy Day Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 8,412,990	\$ 2,112,889	\$ 849,362	\$ 6,420,900	\$ 9,780,291	\$ 27,576,432
Receivables						-
Taxes	-	4,728,778	890,183	-	-	5,618,961
Intergovernmental	3,301,577	-	-	-	1,059,455	4,361,032
Accounts	217,238	-	-	-	-	217,238
Due from other funds	-	-	1,052,693	-	-	1,052,693
TOTAL ASSETS	11,931,805	6,841,667	2,792,238	6,420,900	10,839,746	38,826,356
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	175,205	-	245,071	-	586,649	1,006,925
Accrued wages	1,061,983	-	96,782	-	210,088	1,368,853
Due to other funds	-	-	-	-	1,052,692	1,052,692
Total Liabilities	<u>1,237,188</u>	<u>-</u>	<u>341,853</u>	<u>-</u>	<u>1,849,429</u>	<u>3,428,470</u>
Deferred Inflows of Resources						
Unavailable revenues	-	4,728,778	890,183	-	-	5,618,961
Fund Balances						
Restricted	10,694,617	2,112,889	1,560,202	6,420,900	7,069,993	27,858,601
Committed	-	-	-	-	2,182,821	2,182,821
Assigned	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(262,497)	(262,497)
Total Fund Balances	<u>10,694,617</u>	<u>2,112,889</u>	<u>1,560,202</u>	<u>6,420,900</u>	<u>8,990,317</u>	<u>29,778,925</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 11,931,805	\$ 6,841,667	\$ 2,792,238	\$ 6,420,900	\$ 10,839,746	

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.	51,600,101
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	226,355
Some revenues that are not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	
Unavailable revenues	5,618,961
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	
Prepaid expenses	203,106
Net pension asset	627,977
Deferred outflows - pensions	3,026,840
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(4,706,465)
Other liabilities, compensated absences and accrued interest payable, are not due and payable in the current period and, therefore, are not reported in the funds statements	
Interest payable	(472,850)
Compensated absences	(596,682)
Long-term liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the fund financial statements. See Note III.F.	
Bonds payable	(36,282,275)
Loans payable	(12,360,000)
Net pension liability	(2,602,407)
Total OPEB obligation	<u>(108,740)</u>
	<u>(51,353,422)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 33,952,846

The accompanying notes are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the year ended June 30, 2020

	Education Fund	Debt Service Fund	Operations Fund	Rainy Day Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Local sources	\$ 2,877,129	\$ 4,817,759	\$ 1,893,029	\$ -	\$ 1,761,914	\$ 11,349,831
Intermediate sources	96	-	-	-	600	696
State sources	39,427,167	-	-	-	1,335,568	40,762,735
Federal sources	-	-	-	-	10,591,100	10,591,100
Other	18,420	-	874	-	570,645	589,939
Total Revenues	<u>42,322,812</u>	<u>4,817,759</u>	<u>1,893,903</u>	<u>-</u>	<u>14,259,827</u>	<u>63,294,301</u>
EXPENDITURES						
Current						
Instruction	23,432,574	-	-	-	6,353,513	29,786,087
Support Services	6,255,649	-	11,876,524	-	3,746,809	21,878,982
Community services	371,277	-	-	-	3,330,811	3,702,088
Facilities acquisition and construction	-	-	55,337	-	1,138,134	1,193,471
Nonprogrammed charges	-	-	-	-	1,757,736	1,757,736
Capital outlay	-	-	1,585,259	-	6,319,215	7,904,474
Debt Service						
Principal paid on debt	-	455,000	-	-	3,040,000	3,495,000
Interest on debt	-	243,982	-	-	1,019,946	1,263,928
Total Expenditures	<u>30,059,500</u>	<u>698,982</u>	<u>13,517,120</u>	<u>-</u>	<u>26,706,164</u>	<u>70,981,766</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,263,312</u>	<u>4,118,777</u>	<u>(11,623,217)</u>	<u>-</u>	<u>(12,446,337)</u>	<u>(7,687,465)</u>
OTHER FINANCING SOURCES (USES)						
Debt proceeds	-	-	-	-	400,000	400,000
Sale of property	-	-	8,236	-	-	8,236
Transfers in	63	-	12,342,547	5,800,899	7,450,862	25,594,371
Transfers out	(14,953,922)	(9,167,950)	-	-	(98,282)	(24,220,154)
Total Other Financing Sources (Uses)	<u>(14,953,859)</u>	<u>(9,167,950)</u>	<u>12,350,783</u>	<u>5,800,899</u>	<u>7,752,580</u>	<u>1,782,453</u>
Net change in fund balances	(2,690,547)	(5,049,173)	727,566	5,800,899	(4,693,757)	(5,905,012)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>13,385,164</u>	<u>7,162,062</u>	<u>832,636</u>	<u>620,001</u>	<u>13,680,981</u>	<u>35,680,844</u>
Adjustment to fund balance						
Change from custodial to special revenue	-	-	-	-	84,211	84,211
Change from special revenue to custodial	-	-	-	-	(81,118)	(81,118)
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 10,694,617</u>	<u>\$ 2,112,889</u>	<u>\$ 1,560,202</u>	<u>\$ 6,420,900</u>	<u>\$ 8,990,317</u>	<u>\$ 29,778,925</u>

The accompanying notes are an integral part of this statement

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, 2020

Net change in fund balances - total governmental funds	\$ (5,905,012)
Amounts reported for governmental activities in the statement of activities are different because:	
<p>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.</p>	
Capital assets purchased	8,798,373
Depreciation	(1,694,311)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds statements</p>	
Unavailable revenues	5,618,961
<p>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.</p>	
Principal paid on bonds	3,455,000
Amortization of bond premium	46,014
Principal paid on loans	40,000
Loan proceeds	(400,000)
<p>Changes in net pension liability related to pension obligations are reported in the government wide statement of activities.</p>	
Total OPEB Obligation	47,469
Net Pension Asset	627,977
Net Pension Liability	712,438
<p>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</p>	
Change is interest payable	30,978
Change in prepaid expenses	22,042
Change in compensated absences	(48,055)
Change in deferred outflows	(621,739)
<p>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.</p>	
Change in deferred inflows	53,778
<p>Internal Service Funds are used by management to change the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.</p>	
	595,483
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 11,379,396</u>

The accompanying notes are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS

STATEMENT OF NET POSITION - PROPRIETARY FUND June 30, 2020

	Internal Service Fund
ASSETS	
CURRENT ASSETS	
Cash and investments	\$ 423,688
Total Assets	<u>423,688</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	
CURRENT LIABILITIES	
Claims payable	<u>197,333</u>
NET POSITION	
Unrestricted	<u>226,355</u>
TOTAL NET POSITION	<u><u>\$ 226,355</u></u>

The accompanying notes are an integral part of this statement

MUNCIE COMMUNITY SCHOOLS

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

For the year ended June 30, 2020

	<u>Internal Service</u>
OPERATING REVENUES	
Charges for services	\$ 199,189
Other	<u>1,059,747</u>
Total Operating Revenues	<u>1,258,936</u>
OPERATING EXPENSES	
Health and dependent care costs	<u>837,453</u>
Operating Income	<u>421,483</u>
NONOPERATING REVENUES (EXPENSES)	
Transfers in	<u>174,000</u>
Change in Net Position	595,483
NET POSITION - Beginning of Year	<u>(369,128)</u>
NET POSITION - END OF YEAR	<u>\$ 226,355</u>

The accompanying notes are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

For the year ended June 30, 2020

	<u>Internal Service</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 1,258,936
Payments for interfund services used	<u>(1,058,902)</u>
Net Cash Flows From Operating Activities	<u>200,034</u>
Net Change in Cash and Cash Equivalents	374,034
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>49,654</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 423,688</u></u>
	<u>Internal Service</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 421,483
Adjustments to Reconcile Operating Income to Accounts payable	<u>(221,449)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ 200,034</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION	
Cash and investments	<u>\$ 423,688</u>
TOTAL CASH AND CASH EQUIVALENTS	<u><u>\$ 423,688</u></u>

The accompanying notes are an integral part of this statement

MUNCIE COMMUNITY SCHOOLS

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2020

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 299,376
Intergovernmental receivable	<u>513,842</u>
TOTAL ASSETS	<u>813,218</u>
LIABILITIES	
Accounts payable	401,958
Trust Payable	<u>30,462</u>
TOTAL LIABILITIES	<u>\$ 432,420</u>
TOTAL FIDUCIARY NET POSITION	<u>\$ 380,798</u>

The accompanying notes are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS June 30, 2020

<u>Additions</u>	<u>Custodial Funds</u>
Student receipts	\$ 145,413
Faculty receipts	108,551
Fundraisers	1,790
Received for other governments	1,981,952
Transfers in	1,548,218
Other	<u>424,346</u>
Total additions	<u>4,210,270</u>
 <u>Deductions</u>	
Student activities	134,603
Support services	37,735
Instruction	339,028
Paid to other governments	3,530,170
Other	<u>156,774</u>
Total deductions	<u>4,198,310</u>
Changes in net position	11,960
Net position - beginning	365,745
Adjustment to net position - beginning	
Special revenue reclassified to custodial	84,211
	<u>(81,118)</u>
Net position - ending	<u>\$ 380,798</u>

The accompanying notes are an integral part of this statement.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. REPORTING ENTITY

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

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

A. REPORTING ENTITY (cont.)

Blended Component Units

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

Muncie Community Schools
4301 South Cowan Road
Muncie, IN 47302

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. This standard was implemented July 1, 2019.

In November 2016, the GASB issued statement No. 83 - *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for legally enforceable asset retirement obligations (AROs) and requires that recognition occur when the liability is both incurred and reasonably estimable. This standard was implemented July 1, 2019.

In January 2017, the GASB issued statement No. 84 - *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments for accounting and financial reporting purposes and how those activities should be reported. This standard was implemented July 1, 2019.

In March 2018, the GASB issued statement No. 88 - *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements and establishes additional financial statement note disclosure requirements related to debt obligations of governments, including direct borrowings and direct placements. This standard was implemented July 1, 2019.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

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

In June 2018, the GASB issued statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard was implemented July 1, 2019.

Government-Wide Financial Statements

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

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

Fund Financial Statements

Financial statements of the school corporation are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

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

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

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

Fund Financial Statements (cont.)

- c. In addition, any other governmental fund that the school corporation believes is particularly important to financial statement users may be reported as a major fund.

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

The school corporation reports the following major governmental funds:

Education Fund - accounts for all financial resources of the general government related to education of students.

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

Rainy Day Fund - accounts for money reserved by the School Corporation to pay for unexpected expenses or shortfalls in revenue..

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

The school corporation reports the following nonmajor governmental fund types:

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

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

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

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

Fund Financial Statements (cont.)

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

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

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

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

Government-Wide Financial Statements

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

Fund Financial Statements

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

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

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

Fund Financial Statements (cont.)

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

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

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

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

All Financial Statements

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

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

1. Deposits and Investments

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

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

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

See Note III. A. for further information.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

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

2. Receivables

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the County is issuing debt after December 1 or intends of filing a shortfall appeal. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year end for governmental proprietary funds are recorded as a receivable with an offset to deferred inflows of resources – unavailable revenue since the amounts are not considered available.

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

3. Inventories and Prepaid Items

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

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

4. Capital Assets

Government-Wide Statements

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

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

4. Capital Assets (cont.)

Government-Wide Statements (cont.)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset for assets entered into the systems through June 30, 2020 is as follows:

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

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

5. Deferred Outflows of Resources

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

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

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

6. Compensated Absences

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2020, are determined on the basis of current salary rates and include salary related payments.

7. Long-Term Obligations

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

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

8. Deferred Inflows of Resources

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

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

9. Equity Classifications

Government-Wide Statements

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

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

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the School Corporation Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the School Corporation Board that originally created the commitment.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

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

9. Equity Classifications (cont.)

Fund Statements (cont.)

- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The School Corporation Board has, by resolution, adopted a financial policy authorizing the Director of Finance to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

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

10. Postemployment Benefits Other Than Pensions (OPEB)

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

11. Pensions

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. DEFICIT BALANCES

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

As of June 30, 2020, the following individual funds held a deficit balance:

Fund	Amount	Reason
Adult Basic Education Grants	\$ 4,501	Reimbursable grants
Ball Brothers Grants	3,546	Reimbursable grants
George and Frances Ball	63,943	Accounts payable entry
Perkins Grant	4,338	Reimbursable grants
Secured School Grants	1,500	Reimbursable grants
Special Education	22,215	Reimbursable grants
Title I Grants	152,736	Reimbursable grants
Title II grants	1,436	Reimbursable grants
Title III grants	1,938	Reimbursable grants
Title IV grants	6,344	Reimbursable grants

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Statement Balances	Associated Risks
Checking Accounts	<u>\$ 28,299,496</u>	<u>\$ 28,299,496</u>	Custodial Risk
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 28,000,120		
Per statement of net position - fiduciary funds			
Custodial Funds	<u>299,376</u>		
Total Deposits and Investments	<u>\$ 28,299,496</u>		

Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Indiana Public Deposit Insurance Fund, which cover all public funds held in approved depositories.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk

Deposits

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

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

Credit Risk

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

Concentration of Credit Risk

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

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

Interest Rate Risk

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

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

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

B. RECEIVABLES

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

B. RECEIVABLES (cont.)

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

	<u>Unavailable</u>
Taxes Receivable	<u>\$ 5,618,961</u>
Total Unavailable Revenue for Governmental Funds	<u><u>\$ 5,618,961</u></u>

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Adjustments*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 474,850	\$ (270,850)	\$ -	\$ -	\$ 204,000
Construction in progress	<u>1,079,398</u>	<u>-</u>	<u>6,192,155</u>	<u>5,459,379</u>	<u>1,812,174</u>
Total Capital Assets Not Being Depreciated	<u>1,554,248</u>	<u>(270,850)</u>	<u>6,192,155</u>	<u>5,459,379</u>	<u>2,016,174</u>
Capital assets being depreciated					
Buildings	\$ 87,176,320	\$ (7,135,446)	\$ 7,983,458	\$ -	\$ 88,024,332
Improvements other than buildings	3,057,763	(1,000,390)	-	-	2,057,373
Machinery and equipment	<u>3,947,764</u>	<u>(466,594)</u>	<u>82,140</u>	<u>304,394</u>	<u>3,258,916</u>
Total Capital Assets Being Depreciated	<u>94,181,847</u>	<u>(8,602,430)</u>	<u>8,065,598</u>	<u>304,394</u>	<u>93,340,621</u>
Total Capital Assets	<u>95,736,095</u>	<u>(8,873,280)</u>	<u>14,257,753</u>	<u>5,763,773</u>	<u>95,356,795</u>
Less: Accumulated depreciation for					
Buildings	(41,451,583)	3,229,317	(1,308,013)	-	(39,530,279)
Improvements other than buildings	(2,380,753)	922,456	(70,783)	-	(1,529,080)
Machinery and equipment	<u>(3,106,024)</u>	<u>419,810</u>	<u>(315,515)</u>	<u>304,394</u>	<u>(2,697,335)</u>
Total Accumulated Depreciation	<u>(46,938,360)</u>	<u>4,571,583</u>	<u>(1,694,311)</u>	<u>304,394</u>	<u>(43,756,694)</u>
Net Capital Assets Being Depreciated	<u>47,243,487</u>	<u>(4,030,847)</u>	<u>6,371,287</u>	<u>-</u>	<u>49,583,927</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 48,797,735</u>	<u>\$ (4,301,697)</u>	<u>\$ 12,563,442</u>	<u>\$ 5,459,379</u>	<u>\$ 51,600,101</u>

* - An adjustment was made to the beginning balance due to buildings that were included as deletions in Fiscal Year 2020; however, were deleted prior to July 1, 2019. This restatement is shown on the Statement of Activities.

Depreciation expense was charged to functions as follows:

Governmental Activities	
Nonprogrammed charges	<u>\$ 1,694,311</u>
Total Governmental Activities Depreciation Expense	<u>\$ 1,694,311</u>

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

D. INTERFUND TRANSFERS

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
Operations Fund	Education Fund	\$ 8,543,902	For support of operations fund
Operations Fund	Debt Service Fund	3,773,019	Property tax waiver
			Reimbursement from Title I for
Operations Fund	Other Governmental Funds	25,624	summer school transportation
Education Fund	Other Governmental Funds	63	Payroll transfers
Internal Service Fund	Education Fund	174,000	Self Insurance Transfer
Rainy Day Fund	Education Fund	5,767,900	December Transfer
Rainy Day Fund	Other Governmental Funds	33,000	Reversal of a temporary transfer
			Building Corporation transfers;
			transfer of unreimbursed
Other Governmental Funds	Debt Service Fund	5,394,931	textbook subsidy
Other Governmental Funds	Education Fund	468,120	Eliminate negative balances
Other Governmental Funds	Other Governmental Funds	39,594	Special education transfers
Custodial Funds	Other Governmental Funds	<u>1,548,218</u>	
Total - Fund Financial Statements		25,768,371	
Less: Government-wide eliminations		<u>(24,220,153)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ 1,548,218</u>	

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

E. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 39,635,000	\$ -	\$ 3,455,000	\$ 36,180,000	\$ 3,330,000
Loan payable	12,000,000	400,000	40,000	12,360,000	680,000
(Discounts)/Premiums	148,289	-	46,014	102,275	-
Sub-totals	<u>51,783,289</u>	<u>400,000</u>	<u>3,541,014</u>	<u>48,642,275</u>	<u>4,010,000</u>
Other Liabilities					
Compensated absences	411,470	185,212	-	596,682	149,170
Total OPEB liabilities	156,209	-	47,469	108,740	-
Net pension liability	3,314,845	-	712,438	2,602,407	-
Total Other Liabilities	<u>3,882,524</u>	<u>185,212</u>	<u>759,907</u>	<u>3,307,829</u>	<u>149,170</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 55,665,813</u>	<u>\$ 585,212</u>	<u>\$ 4,300,921</u>	<u>\$ 51,950,104</u>	<u>\$ 4,159,170</u>

General Obligation Debt

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

Governmental Activities

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance June 30, 2020
2014 General Obligation Bonds	05/28/2014	01/15/2024	1% to 3%	\$ 10,000,000	\$ 8,090,000
First Mortgage Refunding Bonds, Series 2015B	07/16/2015	01/15/2023	2.60%	11,130,000	9,605,000
Taxable First Mortgage Refunding Bonds, Series 2017A	12/07/2017	12/31/2032	5.00%	3,100,000	3,100,000
Taxable First Mortgage Refunding Bonds, Series 2017B	12/07/2017	12/31/2032	3.65%	15,385,000	<u>15,385,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 36,180,000</u>

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2021	\$ 3,330,000	\$ 1,064,802
2022	3,635,000	1,095,211
2023	3,740,000	1,000,748
2024	6,990,000	874,352
2025	1,750,000	699,730
2026-2030	9,860,000	2,416,094
2031-2033	6,875,000	474,707
Totals	<u>\$ 36,180,000</u>	<u>\$ 7,625,644</u>

Loans Payable

Loans Payable at June 30, 2020 consist of the following:

Governmental Activities Loans Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance June 30, 2020
Common School Loan	11/20/2018	06/01/2028	0%	\$ 12,000,000	\$ 12,000,000
Common School Loan B01058	11/26/2019	07/01/2024	1%	400,000	<u>360,000</u>
Total Governmental Activities Loans Payable					<u>\$ 12,360,000</u>

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

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

E. LONG-TERM OBLIGATIONS (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Loans Payable	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 680,000	\$ 3,400
2022	680,000	2,600
2023	680,000	1,800
2024	1,280,000	1,000
2025	2,200,000	200
2026-2028	<u>6,840,000</u>	<u>-</u>
Totals	<u>\$ 12,360,000</u>	<u>\$ 9,000</u>

Capital Leases

Refer to Note III.

F. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at June 30, 2020, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 204,000
Construction in progress	1,812,174
Other capital assets, net of accumulated depreciation	49,583,927
Less: Long-term debt outstanding	(36,282,275)
Plus: Unspent bond proceeds	<u>1,338,534</u>
Total Net Investment in Capital Assets	<u>\$ 16,656,360</u>

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

F. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at June 30, 2020, include the following:

	Education Fund	Debt Service Fund	Operations Fund	Rainy Day Fund	Nonmajor Funds	Totals
Fund Balances						
Nonspendable:						
Restricted for:						
Instruction	\$ 10,694,617	\$ -	\$ -	\$ -	\$ 1,175,385	\$ 11,870,002
Support Services	-	-	1,560,202	-	1,867,709	3,427,911
Community Services	-	-	-	-	55,722	55,722
Debt Service	-	2,112,889	-	-	2,120,442	4,233,331
Building Acquisition	-	-	-	6,420,900	1,184,780	7,605,680
Other	-	-	-	-	665,955	665,955
Sub-total	<u>10,694,617</u>	<u>2,112,889</u>	<u>1,560,202</u>	<u>6,420,900</u>	<u>7,069,993</u>	<u>27,858,601</u>
Committed to:						
Instruction	-	-	-	-	30,297	30,297
Support Services	-	-	-	-	2,056,517	2,056,517
Community Services	-	-	-	-	5,496	5,496
Building Acquisition	-	-	-	-	2,250	2,250
Other	-	-	-	-	88,261	88,261
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,182,821</u>	<u>2,182,821</u>
Unassigned (deficit):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(262,497)</u>	<u>(262,497)</u>
Total Fund Balances (Deficit)	<u>\$ 10,694,617</u>	<u>\$ 2,112,889</u>	<u>\$ 1,560,202</u>	<u>\$ 6,420,900</u>	<u>\$ 8,990,317</u>	<u>\$ 29,778,925</u>

G. RESTATEMENT OF NET POSITION

Net position has been restated to include the beginning OPEB liability, to correct a prior period error in reporting capital asset deletions in the incorrect fiscal period, and fund changes due to GASB 84:

Government Wide Net Position - June 30, 2019 (as reported)	\$ 27,028,263
Add: Adjustment for reclassification of funds from custodial to special revenue	84,211
Less: Net OPEB Obligation as of June 30, 2019	(156,209)
Adjustment to correct a prior period error	(4,301,697)
Reclassification for Special Revenue to Custodial	(81,118)
Net Position - June 30, 2019 (as restated)	<u>\$ 22,573,450</u>

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

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

G. RESTATEMENT OF FUND BALANCES/NET POSITION (cont.)

Comparative total columns of the previous year have not been restated to reflect these changes.

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Public Employees' Retirement Fund

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

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

Contributions. Members are required to contribute 3% of their annual covered salary to their defined contribution account. The primary government is required to contribute at an actuarially determined rate; the current rate for calendar year 2019 is 11.20% percent of annual covered payroll. The rate for 2020 is also 11.20%. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the School Corporation were \$431,012 for the fiscal year ended June 30, 2019.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

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

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

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

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

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

Disability and Survivor Benefits. The PERF Hybrid Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent. Upon the death in service of a member with 15 or

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

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

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

Rate of Return. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2019 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 7.32 percent.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

Net Pension Liability

At June 30, 2019, the school corporation reported a liability of \$2,602,407 for its proportionate share of the net pension liability. The school corporation's proportion of the total was measured on the ratio of the wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. The plan does not have a special funding situation, as there is not a non-employer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At June 30, 2019, the school corporation's proportion was 0.07874%. The net pension liability as of June 30, 2019 is calculated as set forth in the following table:

	PERF Plan Totals
Net pension liability - beginning	\$ 2,742,095
Differences between projected and actual experience	33,237
Net difference between projected and actual investment	(204,219)
Change of assumptions	151,426
Changes in proportion and differences between employer contributions and proportionate share of contributions	613,451
Pension expense	(302,571)
Contributions	(431,012)
Net pension liability - June 30, 2019	\$ 2,602,407

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

Deferred Outflows of Resources and Deferred Inflows of Resources. At June 30, 2019, the school corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 68,911	\$ -
Changes in assumptions	579	282,901
Net differences between projected and actual earnings on pension plan investments	-	123,009
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	346,590
Employer contributions subsequent to the measurement date	<u>480,848</u>	<u>-</u>
Totals	<u>\$ 550,338</u>	<u>\$ 752,500</u>

\$480,623 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ (293,624)
2021	(318,160)
2022	(61,674)
2023	(9,552)

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

Pension Expense. The School Corporation recognized pension expense for the following proportionate share of pension expense:

<u>Pension Expense</u>	
Proportionate share of plan pension expense	\$ 411,880
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(714,451)</u>
Total	<u><u>\$ (302,571)</u></u>

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

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

Valuation Date:	
Assets:	June 30, 2019
Liabilities:	June 30, 2018 - Member census data as of June 30, 2018 was used in the valuation and adjusted where appropriate to reflect changes between June 30, 2018 and June 30, 2019. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to June 30, 2019 measurement date.
Actuarial Cost Method:	Entry Age Normal (Level percent of payroll)
Actuarial Assumptions:	
Experience Study Date:	Period of 4 years ended June 30, 2014
Investment Rate of Return:	6.75%, net of investment expense, including inflation
Cost of Living Increases:	2020-2021 - 13th check
	2022-2033 - 0.40%
	2034-2038 - 0.50%
	2039 and on - 0.60%
Salary increases, including inflation:	2.50% - 4.25%
Inflation:	2.25%
Mortality:	
Health:	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006
Disability:	RP-2014 Disability Mortality Table, with Social Security Administration generational improvement scale from 2006

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

Change in Assumptions. There were no changes in assumptions for the June 30, 2018 actuarial valuation. An assumption study was performed in April 2015 for the June 30, 2015 actuarial valuation with changes amortized over the average expected remaining service lives of the plan for the following assumptions:

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

	Target Asset Allocation %	Long-Term Expected Real Rate of Return % (Geometric Basis)
Public Equity	22%	4.9%
Private Equity	14	7.0
Fixed Income - Ex Inflation-Linked	20	2.5
Fixed Income - Inflation-Linked	7	1.3
Commodities	8	2.0
Real Estate	7	6.7
Absolute Return	10	2.9
Risk Parity	12	5.3

Discount rate. The discount rate used to measure the total pension liability was 6.75% as of June 30, 2018 and is equal to the long-term expected return on plan investments.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

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

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
School Corporation's proportionate share of the net pension liability	\$4,179,500	\$2,602,407	\$1,286,991

Teacher's Retirement Plan

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

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

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

A member who has reached age 65 and has at least 10 years of creditable service is eligible for normal retirement and, as such, is entitled to 100 percent of the pension benefit component. This annual pension

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

benefit is equal to 1.1 percent times the average annual compensation times the number of years or creditable service. The average annual compensation in this calculation uses the highest 20 calendar quarters of salary in a covered position. All 20 calendar quarters do not need to be continuous, but they must be in groups of four (4) consecutive calendar quarters. The same calendar quarter may not be included in two (2) difference groups. Member contributions paid by the employer on behalf of the member and severance pay up to \$2,000 are included as part of the member's annual compensation.

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

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

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

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 2019 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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

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 \$1,068,799 for the year ended June 30, 2019.

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, 2019, the School reported an asset of \$627,977 for its proportionate share of the net pension liability. The net pension asset was measured as of June 30, 2019 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, 2019, the School's proportion was .43713 percent. The net pension asset as of June 30, 2019 is calculated as set forth in the following table:

	TRF Plan Totals
Net pension liability - beginning June 30, 2018	\$ 572,750
Differences between projected and actual experience	32,794
Net difference between projected and actual investment	(414,254)
Change of assumptions	197,971
Changes in proportion and differences between employer contributions and proportionate share of contributions	(787,991)
Pension Expense	839,552
Contributions	(1,068,799)
Net pension asset - June 30, 2019	\$ (627,977)

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

For the year ended June 30, 2019, the School recognized pension expense of \$839,552 for the TRF Fund. A breakdown of the pension expense is shown below:

Pension Expense	
Proportionate share of plan pension expense	\$ 989,259
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(149,707)</u>
Total	<u><u>\$ 839,552</u></u>

At June 30, 2019, the School reported deferred inflows of resources and deferred outflows of resources related to pensions from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 254,041	\$ 714,138
Changes in assumptions	741,847	1,426,901
Net differences between projected and actual earnings on pension plan investments	-	343,731
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,939	1,469,195
Employer contributions subsequent to the measurement date	<u>1,476,675</u>	<u>-</u>
Totals	<u><u>\$ 2,476,502</u></u>	<u><u>\$ 3,953,965</u></u>

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

\$1,476,675 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2020	\$ (252,007)
2021	(449,999)
2022	(402,601)
2023	(293,629)
Thereafter	(1,292,276)

Actuarial Assumptions.

Inflation:	2.25%
Salary increases, including inflation:	2.50%-12.50% based on years of service
Cost of Living Increases:	2020-2021 - 13th check
	2022-2033 - 0.40%
	2034-2038 - 0.50%
	2039 and on - 0.60%
Mortality:	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2006

The actuarial assumptions used in the June 30, 2019 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in April 2019. 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.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

The June 30, 2019 valuations, the COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0 percent COLA beginning on January 1, 2020, INPRS assumes that the COLA will be replaced by a 13th 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 Asset to Changes in the Discount Rate. The following presents the School's proportional share of the net pension asset calculated using the discount rate of 6.75 percent, as well as what the School's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
School Corporation's proportionate share of the net pension (asset) liability	\$3,844,498	\$(627,977)	\$(4,250,605)

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

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

http://www.in.gov/inprs/files/2019_INPRSCAFRBook.pdf

Teachers' Pre-96 Retirement Fund

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

The state of Indiana assumes 100% of the net pension liability for the plan. The net pension liability associated with Muncie Community School Corporation is \$100,524,900.

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.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teachers' Pre-96 Retirement Fund (cont.)

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, 2019, the net pension liability is assumed by the State of Indiana and the School does not report any liability for the pension liability.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teachers' Pre-96 Retirement Fund (cont.)

For the year ended June 30, 2019, the School recognized pension expense of \$7,384,710 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, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

The actuarial assumptions used in the June 30, 2019 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in May 2019. The majority of the actuarial and methods are based on plan experience from July 1, 2011 through June 30, 2015 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 June 30, 2019 valuations, the COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0 percent COLA beginning on January 1, 2020, INPRS assumes that the COLA will be replaced by a 13th 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.

B. 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.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT (cont.)

Self Insurance

The primary government has chosen to establish a risk financing fund for risks associated with risk of loss related to employee health claims for School employees. The risk financing fund is accounted for in the Internal Service Fund where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$500,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for employee payroll. The total charge allocated to each of the funds is based primarily upon the percentage of each fund's current year payroll as it relates to total payroll and are reported as interfund services provided and used. Provisions are also made for unexpected and unusual claims.

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

Claims Liability

	Prior Year	Current Year
Unpaid claims - Beginning of Year	\$ 531,911	\$ 418,782
Current year claims and changes in estimates	4,455,844	4,523,513
Claim payments	(4,568,973)	(4,744,962)
 Unpaid Claims - End of Year	 \$ 418,782	 \$ 197,333

C. COMMITMENTS AND CONTINGENCIES

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

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

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

The school corporation has active construction projects as of June 30, 2020. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

D. JOINT VENTURES

The School Corporation is a participant with several area schools in a joint venture to operate the Delaware/Blackford Special Education Cooperative which was created to provide special education services. The 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.

E. OTHER POSTEMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN

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

Employees covered by benefit terms. At June 30, 2020, the following employees were covered by the benefit terms:

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

TOTAL OPEB LIABILITY

The school corporation's total OPEB liability of \$108,740 was measured as of June 30, 2020, and was determined by an actuarial valuation as of that date.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25% per year
Salary increases	None
Healthcare cost trend rates	8% in 2020 trending down to 4.5% in 2027 and beyond
Retirees' share of benefit-related costs	Lifetime participants - 100%; Members until eligible for Medicare - 25%

The discount rate was based on 20 year municipal bond indices.

Mortality Assumptions:

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

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

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

No experience study was conducted for the actuarial valuation.

CHANGES IN THE TOTAL OPEB LIABILITY

	<u>Total OPEB Liability</u>
Balances at June 30, 2019	\$ 156,209
Changes for the year:	
Interest	4,561
Changes in assumptions or other inputs	985
Benefit payments	<u>(53,015)</u>
Net changes	<u>(47,469)</u>
Balances at June 30, 2020	<u>\$ 108,740</u>

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.51% at the beginning of the year and 2.66% at the end of the year.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the school corporation, as well as what the school corporation's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current discount rate:

	1% Decrease (1.66%)	Discount Rate (2.66%)	1% Increase (3.66%)
Net OPEB liability	\$ 109,926	\$ 108,740	\$ 107,584

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the school corporation, as well as what the school corporation's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (9.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease (7.0%) Decreasing to 3.5%)	Healthcare Cost Trend Rates (8.0%) Decreasing to 4.5%)	1% Increase (9.0%) Decreasing to 5.5%)
Net OPEB liability	\$ 108,141	\$ 108,740	\$ 109,342

OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended June 30, 2020, the school corporation recognized OPEB expense of \$5,546. At June 30, 2020, the school corporation did not report any deferred outflows or inflows of resources related to OPEB.

F. SUBSEQUENT EVENT

In December 2019, a novel strain of coronavirus was reported in Wuhan, Hubei province, China. In the first several months of 2020, the virus, SARS-CoV-2, and resulting disease, COVID-19, spread to the United States, including to areas impacting the School Corporation. In March of 2020, the School Corporation shut down and had to revert to all virtual learning.

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

F. SUBSEQUENT EVENTS (cont.)

As of the date of this report, the pandemic is still ongoing and the School Corporation's evaluation of the effects of these events continues. The School anticipates this situation could impact several areas subsequent to the report date. The School Corporation is planning to reopen schools for students and also adjusting the delivery of educational services to include a virtual learning option. The extent of the impact of COVID-19 on the School Corporation's operational and financial performance will depend on future developments, including the duration and spread of the outbreak and related governmental or other regulatory actions.

Change in Capital Asset Useful Lives

The School Corporation implemented a change in their depreciation policy, effective July 1, 2020. The range of estimated useful lives by type of assets for assets entered into the system after June 30, 2020 will be as follows:

Land	NA Years
Buildings	50 Years
Improvements other than buildings	25 Years
Machinery/equipment	15 Years
Vehicles (licensed)	8 Years
Technology equipment	3 Years

G. TAX ABATEMENT

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

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

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

G. TAX ABATEMENT (cont.)

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

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

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

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

Impact of Abatements on Revenues

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

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

G. TAX ABATEMENT (cont.)

Impact of Abatements on Revenues (cont.)

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

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

The estimated gross amount, on a cash basis by which the Muncie School Corporation's property tax revenues (payable 2019 taxes) were reduced as a result of the aforementioned County abatement programs, totaled \$199,195. The abatements for the Muncie School Corporation included abatements for the following programs:

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 87, *Leases*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 92, *Omnibus*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public Private and Public-Public Partnerships and Availability Payment Arrangements*

The statements listed above through Statement No. 93 had their required effective dates postponed by one year with the issuance of Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance, with the exception of Statement No. 87 which was postponed by one and a half years.

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO FINANCIAL STATEMENTS June 30, 2020

NOTE IV - OTHER INFORMATION (cont.)

I. 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 SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE -
 OPERATIONS FUND
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Property	\$ 2,637,514	\$ 2,581,895	\$ 2,551,034	\$ (30,861)
Intergovernmental	530,000	624,801	754,222	129,421
Miscellaneous	70,000	70,000	124,175	54,175
Total revenues	3,237,514	3,276,696	3,429,431	152,735
Expenditures:				
Current:				
General government:				
Support Services-General Administration				
Personal services	332,337	332,337	334,390	(2,053)
Supplies	15,000	15,000	22,892	(7,892)
Other services and charges	93,000	93,000	93,856	(856)
Capital outlays	2,000	2,000	8,255	(6,255)
Central Staff				
Personal services	1,062,300	1,062,300	1,223,656	(161,356)
Supplies	8,500	8,500	70,385	(61,885)
Other services and charges	475,000	475,000	439,303	35,697
Maintenance of Buildings				
Personal services	32,678	32,678	30,461	2,217
Supplies	120,000	120,000	28,545	91,455
Other services and charges	6,326,000	6,326,000	7,234,555	(908,555)
Maintenance of Equipment				
Supplies	25,000	25,000	38,139	(13,139)
Other services and charges	190,000	190,000	466,374	(276,374)
Security Services				
Personal services	435,983	435,983	582,892	(146,909)
Supplies	-	-	12,733	(12,733)
Student Transportation				
Personal services	87,750	87,750	63,863	23,887
Supplies	200,000	200,000	92,623	107,377
Other services and charges	3,785,115	3,785,115	2,291,955	1,493,160
Building Acquisition, Construction and Implement				
Other services and charges	1	1	-	1
Capital outlays	390,000	390,000	253,268	136,732
Purchase of Mobile or Fixed Equipment				
Capital outlays	172,000	172,000	43,501	128,499
Total general government	13,752,664	13,752,664	13,331,645	421,019
Excess (deficiency) of revenues over (under) expenditures	(10,515,150)	(10,475,968)	(9,902,214)	573,754
Other financing sources/(uses):				
Transfer in	6,865,000	6,865,000	11,254,458	4,389,458
Transfers out	-	-	(470,962)	(470,962)
Total other financing sources/(uses)	6,865,000	6,865,000	10,783,496	3,918,496
Net change in fund balances	(3,650,150)	(3,610,968)	881,282	4,492,250
Fund balances - beginning	832,636	832,636	832,636	-
Fund balances - ending	\$ (2,817,514)	\$ (2,778,332)	\$ 1,713,918	\$ 4,492,250

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

MUNCIE COMMUNITY SCHOOL CORPORATION
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE -
 EDUCATION FUND
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 40,385,360	\$ 40,385,360	\$ 39,612,004	\$ (773,356)
Charges for services	1,348,000	1,348,000	2,279,416	931,416
Fines and forfeits	-	-	-	-
Interest	-	-	154,595	154,595
Sale and use of property	-	-	-	-
Gifts and donations	-	-	-	-
Other	-	-	-	-
Reimbursement	-	-	3,255	3,255
Miscellaneous	12,090,000	12,090,000	12,929,290	839,290
Total revenues	53,823,360	53,823,360	54,978,560	1,155,200
Expenditures:				
Current:				
General government:				
Regular programs				
Personal services	20,348,925	20,348,925	19,781,680	567,245
Supplies	325,000	325,000	253,297	71,703
Other services and charges	60,000	60,000	48,275	11,725
Special Programs				
Personal services	4,456,799	4,456,799	3,620,523	836,276
Supplies	36,000	36,000	34,335	1,665
Other services and charges	325,000	325,000	650,059	(325,059)
Capital outlay	2,000	2,000	-	2,000
Summer School Programs				
Personal services	28,857	28,857	89,833	(60,976)
Remediation Programs				
Personal services	143,280	143,280	120,935	22,345
Payments to Other Governmental Units within the State				
Other services and charges	5,000	5,000	4,170	830
Support Services - Students				
Personal services	1,889,242	1,889,242	1,530,841	358,401
Supplies	2,000	2,000	71	1,929
Other services and charges	553,000	553,000	483,802	69,198
Support Services - Instruction				
Personal services	1,024,619	1,024,619	952,572	72,047
Supplies	10,000	10,000	729,598	(719,598)
Other services and charges	530,000	530,000	73,452	456,548
Capital outlay	140,000	145,500	272,640	(127,140)
Support Services - General Administration				
Personal services	1,810,059	1,810,059	1,983,486	(173,427)
Central Office				
Other services and charges	92,000	92,000	136	91,864
Community Service Operations				
Personal services	226,065	226,065	303,459	(77,394)
Total general government	32,007,846	32,013,346	30,933,164	1,080,182
Total expenditures	32,007,846	32,013,346	30,933,164	1,080,182
Excess (deficiency) of revenues over (under) expenditures	21,815,514	21,810,014	24,045,396	2,235,382
Other financing sources/(uses):				
Transfer in	-	-	-	-
Transfers out	(6,865,000)	(6,865,000)	(17,414,941)	(10,549,941)
Total other financing sources/(uses)	(6,865,000)	(6,865,000)	(17,414,941)	(10,549,941)
Net change in fund balances	14,950,514	14,945,014	6,630,455	(8,314,559)
Fund balances - beginning	13,385,164	13,385,164	13,385,164	-
Fund balances - ending	\$ 28,335,678	\$ 28,330,178	\$ 20,015,619	\$ (8,314,559)

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
 EDUCATION AND OPERATION FUNDS
 For the Year Ended December 31, 2019

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.

	Education Fund	Operation Fund
Excess of revenues and other financing sources over expenditures and other financing uses (budgetary basis)	\$ 6,630,455	\$ 881,282
Adjustments		
Adjust revenues for accruals	(140,201)	196,459
Adjust expenditures for accruals	154,755	87,036
To adjust for calendar year to fiscal year differences	(9,335,056)	(437,211)
Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis)	\$ (2,690,047)	\$ 727,566

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>Fiscal Year Ended **</u>	Proportion of the Net Pension <u>Liability</u>	Proportionate Share of the Net Pension <u>Liability</u>	Actual Covered <u>Member Payroll</u>	Net Pension Liability as a Percentage <u>of Covered Payroll</u>
June 30, 2019	0.07874%	\$ 2,602,407	\$ 4,102,655	63.4%
June 30, 2018	0.08072%	2,742,095	4,118,621	66.6%
June 30, 2017	0.09195%	4,102,389	4,561,840	89.9%
June 30, 2016	0.14005%	6,356,092	6,711,817	94.7%
June 30, 2015	0.15010%	6,113,426	7,189,653	85.0%
June 30, 2014	0.17546%	4,610,975	8,566,526	53.8%

Notes:

* Information presented for the years information is available.

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

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

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

Notes:

* Information presented for the years information is available

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

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

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

Notes:

* Information presented for the years information is available.

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

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

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

Notes:

* Information presented for the years information is available

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET OPEB LIABILITY

Last 10 Years*

	Fiscal Year Ended <u>June 30, 2020</u>
NET OPEB LIABILITY	
TOTAL OPEB LIABILITY	
Interest	\$ 4,561
Changes in assumptions	985
Benefit payments	<u>(53,015)</u>
Net change in total pension liability	(47,469)
Total pension liability - beginning of year	<u>156,209</u>
Total pension liability - end of year (1)	<u>\$ 108,740</u>
PLAN FIDUCIARY NET POSITION	
Contributions	\$ 53,015
Benefit payments	<u>(53,015)</u>
Net change in Plan Fiduciary Net Position	-
Plan fiduciary net position - beginning of year	<u>-</u>
Plan fiduciary net position - end of year (2)	<u>\$ -</u>
Net OPEB Liability	<u>\$ 108,740</u>

Notes to Schedule:

*Information presented for the years information is available

MUNCIE COMMUNITY SCHOOLS, INDIANA

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF NET OPEB LIABILITY

Last 10 Years*

	<u>2019</u>
1. Total OPEB Liability	\$ 108,740
2. Plan Fiduciary Net Position	<u>-</u>
3. Net OPEB Liability	<u>\$ 108,740</u>
4. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability = (2) / (1)	0%
5. Covered Payroll	N/A
6. Total OPEB Liability as a Percentage of Covered Payroll = (3) / (5)	N/A

MUNCIE COMMUNITY SCHOOLS

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 Last 10 Years*

OPEB Contributions	<u>2019</u>
Actuarially determined contribution**	\$ -
Actual employer contributions	<u>53,015</u>
Contribution excess	<u>\$ (53,015)</u>
Covered payroll	N/A
Contributions as a percentage of covered - employee payroll	N/A

Notes to schedule:

* Information presented for the years information is available

** - No actuarially determined contributions were reported

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

Notes:

* Information presented for the years information is available.

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

MUNCIE COMMUNITY SCHOOLS, INDIANA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

I. Budgets and Budgetary Accounting

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

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

Major fund:

Education
Operations
Debt Service

II. Pension Plans

- A. In 2019, there were no changes to the Plan that impacted the pension benefits during the fiscal year.

In 2019 pursuant to HEA 109 the years of service required to receive survivor benefits was reduced from 15 years to 10 years.

PERF Plan:

- a) The actuarial assumptions and methods used in the June 30, 2019 valuation of the Public Employees' Defined Benefit Account were adopted by the INPRS Board in May 2019. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2011 through

MUNCIE COMMUNITY SCHOOLS
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 (Continued)

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.

TRF Plan:

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

PRE 96 TRFplan:

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

III. OPEB Plan:

Cost method	Entry Age Normal Level % of Salary method
Amortization method	N/A
Attribution method	Closed group of retirees retiring prior to 7/1/18
Assumptions	
Discount rate	2.66% per annum
Discount rate basis	S&P municipal bond 20-year high grade rate index
Inflation rate	2.25% per annum
Investment return	Not applicable since the plan is not currently prefunded
Disability	None assumed
Mortality and mortality improvement	Administrative and support retirees: SOA Pub-2010 General Headcount Weighted Mortality Table fully Generational using Scale MP-2019
	Teacher retirees; SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2019
	Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019
Coverage rate	N/A due to coverage is a closed group of participants

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 6,321,315	\$ 2,120,442	\$ 1,338,534	\$ 9,780,291
Receivables				
Taxes receivable	-	-	-	-
Accounts	-	-	-	-
Intergovernmental receivable	1,059,455	-	-	1,059,455
Prepaid items	-	-	-	-
TOTAL ASSETS	<u>7,380,770</u>	<u>2,120,442</u>	<u>1,338,534</u>	<u>10,839,746</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	432,895	-	153,754	586,649
Accrued wages and payroll withholding	210,088	-	-	210,088
Due to another fund	1,052,692	-	-	1,052,692
TOTAL LIABILITIES	<u>1,695,675</u>	<u>-</u>	<u>153,754</u>	<u>1,849,429</u>
Fund Balances				
Restricted	3,764,771	2,120,442	1,184,780	7,069,993
Committed	2,182,821	-	-	2,182,821
Unassigned (deficit)	(262,497)	-	-	(262,497)
Total Fund Balances	<u>5,685,095</u>	<u>2,120,442</u>	<u>1,184,780</u>	<u>8,990,317</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 7,380,770</u>	<u>\$ 2,120,442</u>	<u>\$ 1,338,534</u>	<u>\$ 10,839,746</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Local sources	\$ 1,761,049	\$ 865	\$ -	\$ 1,761,914
Intermediate sources	600	-	-	600
State sources	1,335,568	-	-	1,335,568
Federal sources	10,591,100	-	-	10,591,100
Temporary loans	-	-	-	-
Other	306,684	-	263,961	570,645
Total Revenues	<u>13,995,001</u>	<u>865</u>	<u>263,961</u>	<u>14,259,827</u>
EXPENDITURES				
Current				
Instruction	6,353,513	-	-	6,353,513
Support services	3,746,809	-	-	3,746,809
Community services	3,330,811	-	-	3,330,811
Facilities acquisition and construction	19,300	-	1,118,834	1,138,134
Nonprogrammed charges	736,461	1,021,275	-	1,757,736
Capital outlay	-	-	6,319,215	6,319,215
Debt Service				
Principal paid on debt	-	3,040,000	-	3,040,000
Interest on debt	-	1,019,946	-	1,019,946
Total Expenditures	<u>14,186,894</u>	<u>5,081,221</u>	<u>7,438,049</u>	<u>26,706,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(191,893)</u>	<u>(5,080,356)</u>	<u>(7,174,088)</u>	<u>(12,446,337)</u>
OTHER FINANCING SOURCES				
Debt proceeds	-	-	400,000	400,000
Transfer in	3,380,362	4,070,500	-	7,450,862
Transfer out	(65,282)	-	(33,000)	(98,282)
Total Other Financing Sources	<u>3,315,080</u>	<u>4,070,500</u>	<u>367,000</u>	<u>7,752,580</u>
Net change in fund balance	<u>3,123,187</u>	<u>(1,009,856)</u>	<u>(6,807,088)</u>	<u>(4,693,757)</u>
FUND BALANCE				
Beginning of Year	<u>2,558,815</u>	<u>3,130,298</u>	<u>7,991,868</u>	<u>13,680,981</u>
Adjustment to Fund Balance				
Change from special revenue to custodial	(81,118)	-	-	(81,118)
Change from custodial to special revenue	84,211	-	-	84,211
FUND BALANCE END OF YEAR	<u>\$ 5,685,095</u>	<u>\$ 2,120,442</u>	<u>\$ 1,184,780</u>	<u>\$ 8,990,317</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	Cafeteria Fund	Educational Promotions Fund	Shafer Grant	PBIS Grant - Star Press	Harry & Janet Kitselman Fund
ASSETS					
Cash and investments	\$ 1,749,778	\$ 1,596	\$ -	\$ 41,878	\$ -
Receivables					
Intergovernmental	-	-	-	-	-
TOTAL ASSETS	<u>1,749,778</u>	<u>1,596</u>	<u>-</u>	<u>41,878</u>	<u>-</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	254,824	-	-	-	-
Accrued wages and payroll withholding	-	-	-	-	-
Due to another fund	-	-	-	-	-
Total Liabilities	<u>254,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	-	-	-	41,878	-
Committed	1,494,954	1,596	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	<u>1,494,954</u>	<u>1,596</u>	<u>-</u>	<u>41,878</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,749,778</u>	<u>\$ 1,596</u>	<u>\$ -</u>	<u>\$ 41,878</u>	<u>\$ -</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	ONB Comm				
	Volunteer Pass- Thru	Alternative Ed. Grant	Lilly Counsel Initiative	BIC Grant - Food Service	Fieldhouse Banner Fund
ASSETS					
Cash and investments	\$ 3,000	\$ 242,973	\$ 293,037	\$ 55,722	\$ -
Receivables					
Intergovernmental	-	-	-	-	-
TOTAL ASSETS	<u>3,000</u>	<u>242,973</u>	<u>293,037</u>	<u>55,722</u>	<u>-</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	225	-	-	-	-
Accrued wages and payroll withholding	-	-	-	-	-
Due to another fund	-	-	-	-	-
Total Liabilities	<u>225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	2,775	242,973	293,037	55,722	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	<u>2,775</u>	<u>242,973</u>	<u>293,037</u>	<u>55,722</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,000</u>	<u>\$ 242,973</u>	<u>\$ 293,037</u>	<u>\$ 55,722</u>	<u>\$ -</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	Ball Found Afterschool P3 Xtream	BBF- Excellence Teaching Award Donations	Mutual Bank Enrichment Grant	CFP Foundation Community Grant	BBF-Improve, Innov Enhance Grant
ASSETS					
Cash and investments	\$ 4,445	\$ 12,291	\$ 22	\$ 6,570	\$ 294,097
Receivables					
Intergovernmental	-	-	-	-	-
TOTAL ASSETS	<u>4,445</u>	<u>12,291</u>	<u>22</u>	<u>6,570</u>	<u>294,097</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	-	-	9,463
Accrued wages and payroll withholding	-	-	-	-	1,859
Due to another fund	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,322</u>
Fund Balances					
Restricted	4,445	12,291	22	6,570	282,775
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	<u>4,445</u>	<u>12,291</u>	<u>22</u>	<u>6,570</u>	<u>282,775</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,445</u>	<u>\$ 12,291</u>	<u>\$ 22</u>	<u>\$ 6,570</u>	<u>\$ 294,097</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	In & Out	Adventure Envir Learn Cntr Fund	Community Found - Longfellow Fitness	Central ROTC Services Fund	Christmas Sing Fund
ASSETS					
Cash and investments	\$ 9,714	\$ 41,637	\$ 2,250	\$ 5,406	\$ 5,496
Receivables					
Intergovernmental	-	-	-	-	-
TOTAL ASSETS	<u>9,714</u>	<u>41,637</u>	<u>2,250</u>	<u>5,406</u>	<u>5,496</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	2,619	84	-	-	-
Accrued wages and payroll withholding	-	-	-	-	-
Due to another fund	-	-	-	-	-
Total Liabilities	<u>2,619</u>	<u>84</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	7,095	-	-	-	-
Committed	-	41,553	2,250	5,406	5,496
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	<u>7,095</u>	<u>41,553</u>	<u>2,250</u>	<u>5,406</u>	<u>5,496</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,714</u>	<u>\$ 41,637</u>	<u>\$ 2,250</u>	<u>\$ 5,406</u>	<u>\$ 5,496</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	Successful Schools - BSU	2020 Career Ladders Grant	2016 PBIS Meridian Intecare Grant	2016/17 RFF Evidence Based Prc	Formative Assessment Grant
ASSETS					
Cash and investments	\$ -	\$ 462,750	\$ 4,091	\$ 654	\$ 23,705
Receivables					
Intergovernmental	-	-	-	-	-
TOTAL ASSETS	<u>-</u>	<u>462,750</u>	<u>4,091</u>	<u>654</u>	<u>23,705</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	-	-	-
Accrued wages and payroll withholding	-	-	-	-	-
Due to another fund	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	-	462,750	4,091	-	23,705
Committed	-	-	-	654	-
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>462,750</u>	<u>4,091</u>	<u>654</u>	<u>23,705</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 462,750</u>	<u>\$ 4,091</u>	<u>\$ 654</u>	<u>\$ 23,705</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	Special Education Student Reimbursement	Pre-School Program	I Pad Insurance Fund	Technology Contingency Fund	Career Tech Perf Grant
ASSETS					
Cash and investments	\$ -	\$ 39,093	\$ 38,768	\$ 480,687	\$ 17,694
Receivables					
Intergovernmental	-	-	-	-	-
TOTAL ASSETS	<u>-</u>	<u>39,093</u>	<u>38,768</u>	<u>480,687</u>	<u>17,694</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	38	-	-	-
Accrued wages and payroll withholding	-	1,372	-	-	-
Due to another fund	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>1,410</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	-	37,683	-	-	17,694
Committed	-	-	38,768	480,687	-
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>37,683</u>	<u>38,768</u>	<u>480,687</u>	<u>17,694</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 39,093</u>	<u>\$ 38,768</u>	<u>\$ 480,687</u>	<u>\$ 17,694</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	Connectivity Technology Grant	Come Back Stronger Grant	Pre-School CFDA #84.173	2018/19 Mp3 - Ball Brother	2018/19 Mp3 - United Way Grant
ASSETS					
Cash and investments	\$ 555	\$ 17,000	\$ -	\$ -	\$ -
Receivables					
Intergovernmental	-	-	-	-	-
TOTAL ASSETS	<u>555</u>	<u>17,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	-	-	-
Accrued wages and payroll withholding	-	-	-	-	-
Due to another fund	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	-	-	-	-	-
Committed	555	17,000	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	<u>555</u>	<u>17,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 555</u>	<u>\$ 17,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	2018/19 Mp3 Xstream Grant	2016/17 McKinney- Vento Education	Adult Basic Education Grants	BBF Rapid Grant	Ball Brothers Grants
ASSETS					
Cash and investments	\$ -	\$ 6,883	\$ -	\$ 10,000	\$ 455
Receivables					
Intergovernmental	-	-	89,161	-	-
TOTAL ASSETS	<u>-</u>	<u>6,883</u>	<u>89,161</u>	<u>10,000</u>	<u>455</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	87	-	-
Accrued wages and payroll withholding	-	-	11,227	-	4,001
Due to another fund	-	-	82,348	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>93,662</u>	<u>-</u>	<u>4,001</u>
Fund Balances					
Restricted	-	6,883	-	10,000	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	(4,501)	-	(3,546)
Total Fund Balances	<u>-</u>	<u>6,883</u>	<u>(4,501)</u>	<u>10,000</u>	<u>(3,546)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 6,883</u>	<u>\$ 89,161</u>	<u>\$ 10,000</u>	<u>\$ 455</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	Donation Funds	Dual Language Grants	Excellence in Performance Grants	George and Frances Ball	High Ability Grants
ASSETS					
Cash and investments	\$ 184,620	\$ 5,741	\$ 5,328	\$ -	\$ 36,121
Receivables					
Intergovernmental	-	-	-	-	-
TOTAL ASSETS	<u>184,620</u>	<u>5,741</u>	<u>5,328</u>	<u>-</u>	<u>36,121</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	100	-	63,893	-
Accrued wages and payroll withholding	-	-	-	-	2,633
Due to another fund	-	-	-	50	-
Total Liabilities	<u>-</u>	<u>100</u>	<u>-</u>	<u>63,943</u>	<u>2,633</u>
Fund Balances					
Restricted	184,620	-	5,328	-	33,488
Committed	-	5,641	-	-	-
Unassigned (deficit)	-	-	-	(63,943)	-
Total Fund Balances	<u>184,620</u>	<u>5,641</u>	<u>5,328</u>	<u>(63,943)</u>	<u>33,488</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 184,620</u>	<u>\$ 5,741</u>	<u>\$ 5,328</u>	<u>\$ -</u>	<u>\$ 36,121</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2020

	IDEA Grants	Kindergarten Kickoff	Literacy Grant	Non English Speaking Grants	Perkins Grant
ASSETS					
Cash and investments	\$ 203,211	\$ 2,805	\$ 1,075	\$ 14,983	\$ -
Receivables					
Intergovernmental	-	-	-	-	55,446
TOTAL ASSETS	<u>203,211</u>	<u>2,805</u>	<u>1,075</u>	<u>14,983</u>	<u>55,446</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	1,251	-	-	497	3,090
Accrued wages and payroll withholding	61,456	-	-	-	1,248
Due to another fund	-	-	-	-	55,446
Total Liabilities	<u>62,707</u>	<u>-</u>	<u>-</u>	<u>497</u>	<u>59,784</u>
Fund Balances					
Restricted	140,504	2,805	1,075	14,486	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(4,338)
Total Fund Balances	<u>140,504</u>	<u>2,805</u>	<u>1,075</u>	<u>14,486</u>	<u>(4,338)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 203,211</u>	<u>\$ 2,805</u>	<u>\$ 1,075</u>	<u>\$ 14,983</u>	<u>\$ 55,446</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	Scholarship Funds	Secured School Grants	Special Education	Textbook Rental	Title I Grants
ASSETS					
Cash and investments	\$ 481,335	\$ -	\$ 24,997	\$ 1,398,451	\$ -
Receivables					
Intergovernmental	-	-	-	-	778,530
TOTAL ASSETS	<u>481,335</u>	<u>-</u>	<u>24,997</u>	<u>1,398,451</u>	<u>778,530</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	1,500	40,925	11,850	41,013
Accrued wages and payroll withholding	-	-	6,287	-	111,723
Due to another fund	-	-	-	-	778,530
Total Liabilities	<u>-</u>	<u>1,500</u>	<u>47,212</u>	<u>11,850</u>	<u>931,266</u>
Fund Balances					
Restricted	481,335	-	-	1,386,601	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	(1,500)	(22,215)	-	(152,736)
Total Fund Balances	<u>481,335</u>	<u>(1,500)</u>	<u>(22,215)</u>	<u>1,386,601</u>	<u>(152,736)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 481,335</u>	<u>\$ -</u>	<u>\$ 24,997</u>	<u>\$ 1,398,451</u>	<u>\$ 778,530</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	Athletics Fund	School Lunch Fund	Title II Grants	Title III Grants	Title IV Grants
ASSETS					
Cash and investments	\$ 87,656	\$ 605	\$ -	\$ -	\$ -
Receivables					
Intergovernmental	-	-	-	53,822	82,496
TOTAL ASSETS	<u>87,656</u>	<u>605</u>	<u>-</u>	<u>53,822</u>	<u>82,496</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	1,436	-	-
Accrued wages and payroll withholding	-	-	-	1,938	6,344
Due to another fund	-	-	-	53,822	82,496
Total Liabilities	<u>-</u>	<u>-</u>	<u>1,436</u>	<u>55,760</u>	<u>88,840</u>
Fund Balances					
Restricted	-	-	-	-	-
Committed	87,656	605	-	-	-
Unassigned (deficit)	-	-	(1,436)	(1,938)	(6,344)
Total Fund Balances	<u>87,656</u>	<u>605</u>	<u>(1,436)</u>	<u>(1,938)</u>	<u>(6,344)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 87,656</u>	<u>\$ 605</u>	<u>\$ -</u>	<u>\$ 53,822</u>	<u>\$ 82,496</u>

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 June 30, 2020

	Vocational COOP	Total Special Revenue
ASSETS		
Cash and investments	\$ 2,140	\$ 6,321,315
Receivables		
Intergovernmental	-	1,059,455
TOTAL ASSETS	2,140	7,380,770
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	-	432,895
Accrued wages and payroll withholding	-	210,088
Due to another fund	-	1,052,692
Total Liabilities	-	1,695,675
Fund Balances		
Restricted	2,140	3,764,771
Committed	-	2,182,821
Unassigned (deficit)	-	(262,497)
Total Fund Balances	2,140	5,685,095
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,140	\$ 7,380,770

MUNCIE COMMUNITY SCHOOLS
COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE
For the Year Ended June 30, 2020

	Cafeteria Fund	Educational Promotions Fund	Shafer Grant	PBIS Grant - Star Press	Harry & Janet Kitselman Fund
REVENUES					
Local sources	\$ 83,804	\$ -	\$ 32,853	\$ 887	\$ 25,000
Intermediate sources	-	600	-	-	-
State sources	-	-	-	-	-
Federal sources	3,700,092	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>3,783,896</u>	<u>600</u>	<u>32,853</u>	<u>887</u>	<u>25,000</u>
EXPENDITURES					
Current					
Instruction	-	-	14,353	33,529	25,000
Support services	-	-	-	-	-
Community services	3,259,745	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total Expenditures	<u>3,259,745</u>	<u>-</u>	<u>14,353</u>	<u>33,529</u>	<u>25,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>524,151</u>	<u>600</u>	<u>18,500</u>	<u>(32,642)</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>524,151</u>	<u>600</u>	<u>18,500</u>	<u>(32,642)</u>	<u>-</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>970,803</u>	<u>996</u>	<u>(18,500)</u>	<u>74,520</u>	<u>-</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	-	-
Change from custodial to special revenue	-	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 1,494,954</u>	<u>\$ 1,596</u>	<u>\$ -</u>	<u>\$ 41,878</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, 2020

	ONB Comm Volunteer Pass- Thru	Alternative Ed. Grant	Lilly Counsel Initiative	BIC Grant - Food Service	Fieldhouse Banner Fund
REVENUES					
Local sources	\$ 62,966	\$ -	\$ -	\$ 72,000	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	90,567	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>62,966</u>	<u>90,567</u>	<u>-</u>	<u>72,000</u>	<u>-</u>
EXPENDITURES					
Current					
Instruction	-	27,658	7,124	-	454
Support services	60,191	-	-	-	-
Community services	-	-	-	16,278	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total Expenditures	<u>60,191</u>	<u>27,658</u>	<u>7,124</u>	<u>16,278</u>	<u>454</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,775</u>	<u>62,909</u>	<u>(7,124)</u>	<u>55,722</u>	<u>(454)</u>
OTHER FINANCING SOURCES					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>2,775</u>	<u>62,909</u>	<u>(7,124)</u>	<u>55,722</u>	<u>(454)</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>-</u>	<u>180,064</u>	<u>300,161</u>	<u>-</u>	<u>454</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	-	-
Change from custodial to special revenue	-	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 2,775</u>	<u>\$ 242,973</u>	<u>\$ 293,037</u>	<u>\$ 55,722</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, 2020

	Ball Found Afterschool P3 Xtream	BBF- Excellence Teaching Award Donations	Mutual Bank Enrichment Grant	CFP Foundation Community Grant	BBF-Improve, Innov Enhance Grant
REVENUES					
Local sources	\$ -	\$ 2,500	\$ -	\$ 5,000	\$ 350,000
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>5,000</u>	<u>350,000</u>
EXPENDITURES					
Current					
Instruction	-	5,209	-	2,065	53,550
Support services	-	-	4,978	-	13,675
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>5,209</u>	<u>4,978</u>	<u>2,065</u>	<u>67,225</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(2,709)</u>	<u>(4,978)</u>	<u>2,935</u>	<u>282,775</u>
OTHER FINANCING SOURCES					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>(2,709)</u>	<u>(4,978)</u>	<u>2,935</u>	<u>282,775</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>4,445</u>	<u>15,000</u>	<u>5,000</u>	<u>3,635</u>	<u>-</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	-	-
Change from custodial to special revenue	-	-	-	-	-
FUND BALANCE (DEFICIT) -					
END OF YEAR	<u>\$ 4,445</u>	<u>\$ 12,291</u>	<u>\$ 22</u>	<u>\$ 6,570</u>	<u>\$ 282,775</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, 2020

	In & Out	Adventure Envir Learn Cntr Fund	Community Found - Longfellow Fitness	Central ROTC Services Fund	Christmas Sing Fund
REVENUES					
Local sources	\$ 158,184	\$ 15,624	\$ -	\$ -	\$ 5,548
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	62,797	-
Other	-	-	-	-	-
Total Revenues	<u>158,184</u>	<u>15,624</u>	<u>-</u>	<u>62,797</u>	<u>5,548</u>
EXPENDITURES					
Current					
Instruction	156,576	208	-	98,808	-
Support services	-	25,378	-	-	-
Community services	-	-	-	-	219
Facilities acquisition and construction	-	-	750	-	-
Nonprogrammed charges	-	-	-	-	-
Total Expenditures	<u>156,576</u>	<u>25,586</u>	<u>750</u>	<u>98,808</u>	<u>219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,608</u>	<u>(9,962)</u>	<u>(750)</u>	<u>(36,011)</u>	<u>5,329</u>
OTHER FINANCING SOURCES					
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>1,608</u>	<u>(9,962)</u>	<u>(750)</u>	<u>(36,011)</u>	<u>5,329</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>5,487</u>	<u>51,515</u>	<u>3,000</u>	<u>41,417</u>	<u>167</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	-	-
Change from custodial to special revenue	-	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 7,095</u>	<u>\$ 41,553</u>	<u>\$ 2,250</u>	<u>\$ 5,406</u>	<u>\$ 5,496</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, 2020

	Successful Schools - BSU	2020 Career Ladders Grant	2016 PBIS Meridian Intecare Grant	2016/17 RFF Evidence Based Prc	Formative Assessment Grant
REVENUES					
Local sources	\$ 1,300	\$ -	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	462,750	-	-	63,133
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>1,300</u>	<u>462,750</u>	<u>-</u>	<u>-</u>	<u>63,133</u>
EXPENDITURES					
Current					
Instruction	-	-	1,647	-	39,428
Support services	99,780	-	-	-	-
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total Expenditures	<u>99,780</u>	<u>-</u>	<u>1,647</u>	<u>-</u>	<u>39,428</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(98,480)</u>	<u>462,750</u>	<u>(1,647)</u>	<u>-</u>	<u>23,705</u>
OTHER FINANCING SOURCES					
Transfer in	37,979	-	-	-	-
Transfer out	-	-	-	-	-
Total Other Financing Sources	<u>37,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(60,501)</u>	<u>462,750</u>	<u>(1,647)</u>	<u>-</u>	<u>23,705</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>60,501</u>	<u>-</u>	<u>5,738</u>	<u>654</u>	<u>-</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	-	-
Change from custodial to special revenue	-	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ 462,750</u>	<u>\$ 4,091</u>	<u>\$ 654</u>	<u>\$ 23,705</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, 2020

	Special Education Student Reimbursement	Pre-School Program	I Pad Insurance Fund	Technology Contingency Fund	Career Tech Perf Grant
REVENUES					
Local sources	\$ -	\$ 84,232	\$ 11,410	\$ 23,198	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Other	<u>14,317</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>14,317</u>	<u>84,232</u>	<u>11,410</u>	<u>23,198</u>	<u>-</u>
EXPENDITURES					
Current					
Instruction	-	71,774	-	-	-
Support services	-	-	-	-	-
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>71,774</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,317</u>	<u>12,458</u>	<u>11,410</u>	<u>23,198</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfer in	-	-	-	-	-
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>14,317</u>	<u>12,458</u>	<u>11,410</u>	<u>23,198</u>	<u>-</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>(14,317)</u>	<u>25,225</u>	<u>27,358</u>	<u>457,489</u>	<u>17,694</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	-	-
Change from custodial to special revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ 37,683</u>	<u>\$ 38,768</u>	<u>\$ 480,687</u>	<u>\$ 17,694</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, 2020

	Connectivity Technology Grant	Come Back Stronger Grant	Pre-School CFDA #84.173	2018/19 Mp3 - Ball Brother	2018/19 Mp3 - United Way Grant
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 108,273	\$ -
Intermediate sources	-	-	-	-	-
State sources	3,694	17,000	-	-	-
Federal sources	-	-	29,656	-	-
Other	-	-	-	-	-
Total Revenues	<u>3,694</u>	<u>17,000</u>	<u>29,656</u>	<u>108,273</u>	<u>-</u>
EXPENDITURES					
Current					
Instruction	-	-	-	144,134	-
Support services	3,139	-	-	-	-
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total Expenditures	<u>3,139</u>	<u>-</u>	<u>-</u>	<u>144,134</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>555</u>	<u>17,000</u>	<u>29,656</u>	<u>(35,861)</u>	<u>-</u>
OTHER FINANCING SOURCES					
Transfer in	-	-	30,561	39,840	2,745
Transfer out	-	-	(29,657)	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>904</u>	<u>39,840</u>	<u>2,745</u>
Net change in fund balance	<u>555</u>	<u>17,000</u>	<u>30,560</u>	<u>3,979</u>	<u>2,745</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>-</u>	<u>-</u>	<u>(30,560)</u>	<u>(3,979)</u>	<u>(2,745)</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	-	-
Change from custodial to special revenue	-	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 555</u>	<u>\$ 17,000</u>	<u>\$ -</u>	<u>\$ -</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, 2020

	2018/19 Mp3 Xstream Grant	2016/17 McKinney-Vento Education	Adult Basic Education Grants	BBF Rapid Grant	Ball Brothers Grants
REVENUES					
Local sources	\$ -	\$ -	\$ 10,110	\$ 10,000	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	431,110	-	-
Other	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>441,220</u>	<u>10,000</u>	<u>-</u>
EXPENDITURES					
Current					
Instruction	-	299	424,024	-	2,987
Support services	-	-	-	-	123,900
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>299</u>	<u>424,024</u>	<u>-</u>	<u>126,887</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(299)</u>	<u>17,196</u>	<u>10,000</u>	<u>(126,887)</u>
OTHER FINANCING SOURCES					
Transfer in	8,992	-	-	-	34,833
Transfer out	-	-	-	-	-
Total Other Financing Sources	<u>8,992</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,833</u>
Net change in fund balance	<u>8,992</u>	<u>(299)</u>	<u>17,196</u>	<u>10,000</u>	<u>(92,054)</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>(8,992)</u>	<u>7,182</u>	<u>(21,697)</u>	<u>-</u>	<u>88,508</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	-	-
Change from custodial to special revenue	-	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ -</u>	<u>\$ 6,883</u>	<u>\$ (4,501)</u>	<u>\$ 10,000</u>	<u>\$ (3,546)</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, 2020

	Donation Funds	Dual Language Grants	Excellence in Performance Grants	George and Frances Ball	High Ability Grants
REVENUES					
Local sources	\$ 295,082	\$ 55,243	\$ -	\$ 159,989	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	9,176	178,924	-	49,883
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
Total Revenues	<u>295,082</u>	<u>64,419</u>	<u>178,924</u>	<u>159,989</u>	<u>49,883</u>
EXPENDITURES					
Current					
Instruction	5,537	75,738	173,596	198,093	37,818
Support services	-	-	-	-	630
Community services	-	-	-	-	-
Facilities acquisition and construction	1,000	-	-	17,550	-
Nonprogrammed charges	353,441	-	-	-	-
Total Expenditures	<u>359,978</u>	<u>75,738</u>	<u>173,596</u>	<u>215,643</u>	<u>38,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(64,896)</u>	<u>(11,319)</u>	<u>5,328</u>	<u>(55,654)</u>	<u>11,435</u>
OTHER FINANCING SOURCES					
Transfer in	10,000	11,750	-	24,456	-
Transfer out	-	-	-	-	(5,625)
Total Other Financing Sources	<u>10,000</u>	<u>11,750</u>	<u>-</u>	<u>24,456</u>	<u>(5,625)</u>
Net change in fund balance	<u>(54,896)</u>	<u>431</u>	<u>5,328</u>	<u>(31,198)</u>	<u>5,810</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>239,516</u>	<u>5,210</u>	<u>-</u>	<u>(32,745)</u>	<u>27,678</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	-	-
Change from custodial to special revenue	-	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 184,620</u>	<u>\$ 5,641</u>	<u>\$ 5,328</u>	<u>\$ (63,943)</u>	<u>\$ 33,488</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, 2020

	IDEA Grants	Kindergarten Kickoff	Literacy Grant	Non English Speaking Grants	Perkins Grant
REVENUES					
Local sources	\$ 2,370	\$ 19,753	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	21,050	21,060	-
Federal sources	580,819	-	-	-	181,483
Other	-	-	-	-	-
Total Revenues	<u>583,189</u>	<u>19,753</u>	<u>21,050</u>	<u>21,060</u>	<u>181,483</u>
EXPENDITURES					
Current					
Instruction	1,438,033	18,948	-	-	167,485
Support services	160,733	-	21,547	32,605	-
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total Expenditures	<u>1,598,766</u>	<u>18,948</u>	<u>21,547</u>	<u>32,605</u>	<u>167,485</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,015,577)</u>	<u>805</u>	<u>(497)</u>	<u>(11,545)</u>	<u>13,998</u>
OTHER FINANCING SOURCES					
Transfer in	1,540,498	-	-	-	14,410
Transfer out	-	-	-	-	-
Total Other Financing Sources	<u>1,540,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,410</u>
Net change in fund balance	<u>524,921</u>	<u>805</u>	<u>(497)</u>	<u>(11,545)</u>	<u>28,408</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>(384,417)</u>	<u>2,000</u>	<u>1,572</u>	<u>26,031</u>	<u>(32,746)</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	-	-
Change from custodial to special revenue	-	-	-	-	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 140,504</u>	<u>\$ 2,805</u>	<u>\$ 1,075</u>	<u>\$ 14,486</u>	<u>\$ (4,338)</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, 2020

	Scholarship Funds	Secured School Grants	Special Education	Textbook Rental	Title I Grants
REVENUES					
Local sources	\$ 16,831	\$ -	\$ -	\$ 82,977	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	156,501	261,830	-
Federal sources	-	-	392	-	5,226,174
Other	-	-	-	-	-
Total Revenues	<u>16,831</u>	<u>-</u>	<u>156,893</u>	<u>344,807</u>	<u>5,226,174</u>
EXPENDITURES					
Current					
Instruction	-	-	352,554	31,435	2,712,084
Support services	-	74,892	-	439,848	2,313,593
Community services	-	-	-	26,036	14,930
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	49,500	-	-	-	42,413
Total Expenditures	<u>49,500</u>	<u>74,892</u>	<u>352,554</u>	<u>497,319</u>	<u>5,083,020</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(32,669)</u>	<u>(74,892)</u>	<u>(195,661)</u>	<u>(152,512)</u>	<u>143,154</u>
OTHER FINANCING SOURCES					
Transfer in	-	580	176,112	1,324,431	40,815
Transfer out	(10,000)	-	-	-	(20,000)
Total Other Financing Sources	<u>(10,000)</u>	<u>580</u>	<u>176,112</u>	<u>1,324,431</u>	<u>20,815</u>
Net change in fund balance	<u>(42,669)</u>	<u>(74,312)</u>	<u>(19,549)</u>	<u>1,171,919</u>	<u>163,969</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>524,004</u>	<u>72,812</u>	<u>(2,666)</u>	<u>295,493</u>	<u>(316,705)</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	(81,118)	-
Change from custodial to special revenue	-	-	-	307	-
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 481,335</u>	<u>\$ (1,500)</u>	<u>\$ (22,215)</u>	<u>\$ 1,386,601</u>	<u>\$ (152,736)</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, 2020

	Athletics Fund	School Lunch Fund	Title II Grants	Title III Grants	Title IV Grants
REVENUES					
Local sources	\$ -	\$ 65,915	\$ -	\$ -	\$ -
Intermediate sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	118,330	56,675	203,572
Other	<u>292,367</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>292,367</u>	<u>65,915</u>	<u>118,330</u>	<u>56,675</u>	<u>203,572</u>
EXPENDITURES					
Current					
Instruction	-	-	-	-	7,870
Support services	102	66,006	87,233	47,249	171,330
Community services	-	-	3,568	10,035	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	<u>287,817</u>	<u>-</u>	<u>3,290</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>287,919</u>	<u>66,006</u>	<u>94,091</u>	<u>57,284</u>	<u>179,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,448</u>	<u>(91)</u>	<u>24,239</u>	<u>(609)</u>	<u>24,372</u>
OTHER FINANCING SOURCES					
Transfer in	-	-	8,078	-	503
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>8,078</u>	<u>-</u>	<u>503</u>
Net change in fund balance	<u>4,448</u>	<u>(91)</u>	<u>32,317</u>	<u>(609)</u>	<u>24,875</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>-</u>	<u>-</u>	<u>(33,753)</u>	<u>(1,329)</u>	<u>(31,219)</u>
Adjustment to Fund Balance					
Change from special revenue to custodial	-	-	-	-	-
Change from custodial to special revenue	<u>83,208</u>	<u>696</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 87,656</u>	<u>\$ 605</u>	<u>\$ (1,436)</u>	<u>\$ (1,938)</u>	<u>\$ (6,344)</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, 2020

	Vocational COOP	Total Special Revenue
REVENUES		
Local sources	\$ -	\$ 1,761,049
Intermediate sources	-	600
State sources	-	1,335,568
Federal sources	-	10,591,100
Other	-	306,684
Total Revenues	-	13,995,001
EXPENDITURES		
Current		
Instruction	25,495	6,353,513
Support services	-	3,746,809
Community services	-	3,330,811
Facilities acquisition and construction	-	19,300
Nonprogrammed charges	-	736,461
Total Expenditures	25,495	14,186,894
Excess (deficiency) of revenues over (under) expenditures	(25,495)	(191,893)
OTHER FINANCING SOURCES		
Transfer in	73,779	3,380,362
Transfer out	-	(65,282)
Total Other Financing Sources	73,779	3,315,080
Net change in fund balance	48,284	3,123,187
FUND BALANCE (DEFICIT) -		
Beginning of Year	(46,144)	2,558,815
Adjustment to Fund Balance		
Change from special revenue to custodial	-	(81,118)
Change from custodial to special revenue	-	84,211
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 2,140	\$ 5,685,095

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUND
June 30, 2020

	<u>Building Corporation</u>
ASSETS	
Cash and investments	\$ <u>2,120,442</u>
LIABILITIES AND FUND BALANCES	
Fund Balances	
Restricted	\$ <u>2,120,442</u>

MUNCIE COMMUNITY SCHOOLS
 COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
 For the Year Ended June 30, 2020

	Building Corporation
REVENUES	
Local sources	\$ 865
EXPENDITURES	
Current	
Nonprogrammed charges	1,021,275
Debt Service	
Principal paid on debt	3,040,000
Interest on debt	1,019,946
Total Expenditures	5,081,221
Excess (deficiency) of revenues over (under) expenditures	(5,080,356)
OTHER FINANCING SOURCES	
Transfer in	4,070,500
Net change in fund balance	(1,009,856)
FUND BALANCE (DEFICIT) - Beginning of Year	3,130,298
FUND BALANCE (DEFICIT) - END OF YEAR	\$ 2,120,442

MUNCIE COMMUNITY SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECT FUNDS
June 30, 2020

	Fieldhouse Repairs	2014 GO Construction Bond Fund	Common School Loan	Total Capital Projects
ASSETS				
Cash and investments	\$ -	\$ 1,338,534	\$ -	\$ 1,338,534
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	-	153,754	-	153,754
Fund Balances				
Restricted	-	1,184,780	-	1,184,780
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 1,338,534	\$ -	\$ 1,338,534

MUNCIE COMMUNITY SCHOOLS
COMBINING STATEMENT OF REVENUES EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS
For the Year Ended June 30, 2020

	Fieldhouse Repairs	2014 GO Construction Bond Fund	Common School Loan	Total Capital Project
REVENUES				
Other	\$ 263,961	\$ -	\$ -	\$ 263,961
EXPENDITURES				
Current				
Facilities acquisition and construction	-	718,834	400,000	1,118,834
Capital outlay	127,060	6,192,155	-	6,319,215
Total Expenditures	127,060	6,910,989	400,000	7,438,049
Excess (deficiency) of revenues over (under) expenditures	136,901	(6,910,989)	(400,000)	(7,174,088)
OTHER FINANCING SOURCES				
Debt proceeds	-	-	400,000	400,000
Transfer out	(33,000)	-	-	(33,000)
Total Other Financing Sources	(33,000)	-	400,000	367,000
Net change in fund balance	103,901	(6,910,989)	-	(6,807,088)
FUND BALANCE (DEFICIT) - Beginning of Year	(103,901)	8,095,769	-	7,991,868
FUND BALANCE - END OF YEAR	\$ -	\$ 1,184,780	\$ -	\$ 1,184,780

MUNCIE COMMUNITY SCHOOL CORPORATION
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -
 CUSTODIAL FUNDS
 June 30, 2020

<u>Assets</u>	Muncie Central Highschool ECA	Northside Middle School ECA	Southside Middle School ECA	East Washington Academy ECA
Cash and cash equivalents	\$ 134,188	\$ 24,721	\$ 36,280	\$ 28,724
Intergovernmental receivable	-	-	-	-
Total assets	<u>\$ 134,188</u>	<u>\$ 24,721</u>	<u>\$ 36,280</u>	<u>\$ 28,724</u>
 <u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Trust payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Net Position</u>				
Net Position - Ending	<u>\$ 134,188</u>	<u>\$ 24,721</u>	<u>\$ 36,280</u>	<u>\$ 28,724</u>

MUNCIE COMMUNITY SCHOOL CORPORATION
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -
 CUSTODIAL FUNDS
 June 30, 2020

<u>Assets</u>	Grissom Elementary School ECA	Longfellow Elementary School ECA	North View Elementary School ECA
Cash and cash equivalents	\$ 13,012	\$ 7,942	\$ 29,804
Intergovernmental receivable	-	-	-
Total assets	<u>\$ 13,012</u>	<u>\$ 7,942</u>	<u>\$ 29,804</u>
 <u>Liabilities</u>			
Accounts payable	\$ -	\$ -	\$ -
Trust payable	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Net Position</u>			
Net Position - Ending	<u>\$ 13,012</u>	<u>\$ 7,942</u>	<u>\$ 29,804</u>

MUNCIE COMMUNITY SCHOOL CORPORATION
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -
 CUSTODIAL FUNDS
 June 30, 2020

<u>Assets</u>	South View Elementary School ECA	West View Elementary School ECA	Muncie Area Career Center ECA	Special Education Pass-through
Cash and cash equivalents	\$ 18,077	\$ 28,017	\$ 60,033	\$ (111,884)
Intergovernmental receivable	-	-	-	513,842
Total assets	<u>\$ 18,077</u>	<u>\$ 28,017</u>	<u>\$ 60,033</u>	<u>\$ 401,958</u>
 <u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ 401,958
Trust payable	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>401,958</u>
 <u>Net Position</u>				
Net Position - Ending	<u>\$ 18,077</u>	<u>\$ 28,017</u>	<u>\$ 60,033</u>	<u>\$ -</u>

MUNCIE COMMUNITY SCHOOL CORPORATION
 COMBINING STATEMENT OF FIDUCIARY NET POSITION -
 CUSTODIAL FUNDS
 June 30, 2020

<u>Assets</u>	<u>Prepaid Lunch</u>	<u>Totals</u>
Cash and cash equivalents	\$ 30,462	\$ 299,376
Intergovernmental receivable	-	513,842
Total assets	<u>\$ 30,462</u>	<u>\$ 813,218</u>
<u>Liabilities</u>		
Accounts payable	\$ -	\$ 401,958
Trust payable	<u>30,462</u>	<u>30,462</u>
Total liabilities	<u>30,462</u>	<u>432,420</u>
<u>Net Position</u>		
Net Position - Ending	<u>\$ -</u>	<u>\$ 380,798</u>

MUNCIE COMMUNITY SCHOOL CORPORATION
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2020

<u>Additions</u>	Muncie Central Highschool ECA	Northside Middle School ECA	Southside Middle School ECA	East Washington Academy ECA
Student receipts	\$ 20,932	\$ 18,037	\$ 9,723	\$ 57,106
Faculty receipts	100,058	2,970	-	-
Fundraisers	1,670	-	-	-
Received for other governments	-	-	-	-
Transfers in	-	-	-	-
Other	717	38,966	137,151	19,874
Total additions	123,377	59,973	146,874	76,980
 <u>Deductions</u>				
Student activities	13,166	16,827	7,673	53,628
Support services	4,718	4,222	22,065	1,177
Instruction	61,179	24,513	96,076	17,591
Paid to other governments	-	-	-	-
Other	40,443	10,215	6,399	1,359
Total deductions	119,506	55,777	132,213	73,755
 Changes in net position	 3,871	 4,196	 14,661	 3,225
 Net position - beginning	 130,317	 20,525	 21,619	 25,499
 Net position - ending	 <u>\$ 134,188</u>	 <u>\$ 24,721</u>	 <u>\$ 36,280</u>	 <u>\$ 28,724</u>

MUNCIE COMMUNITY SCHOOL CORPORATION
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2020

<u>Additions</u>	Grissom Elementary School ECA	Longfellow Elementary School ECA	North View Elementary School ECA	South View Elementary School ECA
Student receipts	\$ 8,580	\$ 6,653	\$ 13,408	\$ 5,975
Faculty receipts	3,950	-	330	-
Fundraisers	-	13	-	-
Received for other governments	-	-	-	-
Transfers in	-	-	-	-
Other	50,577	-	9,583	24,799
Total additions	63,107	6,666	23,321	30,774
 <u>Deductions</u>				
Student activities	10,334	12,131	13,421	3,205
Support services	3,546	-	468	-
Instruction	51,529	-	4,113	24,797
Paid to other governments	-	-	-	-
Other	-	582	4,751	17
Total deductions	65,409	12,713	22,753	28,019
Changes in net position	(2,302)	(6,047)	568	2,755
Net position - beginning	15,314	13,989	29,236	15,322
Net position - ending	\$ 13,012	\$ 7,942	\$ 29,804	\$ 18,077

MUNCIE COMMUNITY SCHOOL CORPORATION
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2020

<u>Additions</u>	West View Elementary School ECA	Muncie Area Career Center ECA	Special Education Preschool	Prepaid Lunch
Student receipts	\$ 3,986	\$ 1,013	\$ -	\$ -
Faculty receipts	122	1,121	-	-
Fundraisers	-	107	-	-
Received for other governments	-	-	1,981,952	-
Transfers in	-	-	1,548,218	-
Other	14,589	38,302	-	89,788
Total additions	18,697	40,543	3,530,170	89,788
<u>Deductions</u>				
Student activities	4,064	154	-	-
Support services	1,251	288	-	-
Instruction	10,670	48,560	-	-
Paid to other governments	-	-	3,530,170	-
Other	907	2,313	-	89,788
Total deductions	16,892	51,315	3,530,170	89,788
Changes in net position	1,805	(10,772)	-	-
Net position - beginning	26,212	70,805	-	-
Net position - ending	\$ 28,017	\$ 60,033	\$ -	\$ -

MUNCIE COMMUNITY SCHOOL CORPORATION
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2020

<u>Additions</u>	<u>Total</u>
Student receipts	145,413
Faculty receipts	108,551
Fundraisers	1,790
Received for other governments	1,981,952
Transfers in	1,548,218
Other	424,346
	<hr/>
Total additions	4,210,270
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<u>Deductions</u>	
Student activities	134,603
Support services	37,735
Instruction	339,028
Paid to other governments	3,530,170
Other	156,774
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Total deductions	4,198,310
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Changes in net position	11,960
Net position - beginning	368,838
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Net position - ending	<u>\$ 380,798</u>

OTHER REPORTS

In addition to this report, other reports may have been issued for the School Corporation. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.