B56563

FINANCIAL STATEMENTS AUDIT REPORT

FORT WAYNE COMMUNITY SCHOOLS
ALLEN COUNTY, INDIANA

July 1, 2019 to June 30, 2020

FILED
04/13/2021

Fort Wayne Community Schools

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FORT WAYNE COMMUNITY SCHOOLS
Schedule of Officials
June 30, 2020

Office	Official	Term
Treasurer	Sherry Nidlinger	07-01-19 to 06-30-21
Superintendent of Schools	Dr. Wendy Robinson	07-01-19 to 06-30-20
	Dr. Mark Daniel	07-01-20 to 06-30-21
President of the School Board	Julie Hollingsworth	07-01-19 to 12-31-20
	Anne Duff	01-01-21 to 06-30-21

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE FORT WAYNE COMMUNITY SCHOOLS, ALLEN 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 Fort Wayne Community Schools (School Corporation), 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.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pension, Schedule of Employer's Share of Nonemployer Contributing Entity Contributions Pre-96 Teachers Retirement Fund, Schedule of Changes in Total Other Postemployment Benefits Liability, and Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual, 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.

Management has omitted the Management's Discussion and Analysis and the Budget to GAAP Reconciliation of Major Special Revenue Funds that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 2021, on our consideration of the School Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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
Paul D. Joyce, CPA
State Examiner

April 1, 2021

FORT WAYNE COMMUNITY SCHOOLS
Statement of Net Position
June 30, 2020

	Primary Government Governmental Activities
Assets	
Cash and cash equivalents	$ 120,436,102
Cash and cash equivalents - restricted	42,294,582
Receivables, net	
Taxes receivable	35,806,232
Intergovernmental receivable	8,256,243
Other receivables	56,895
Inventories	1,674,929
Prepaid items	13,424,730
Nondepreciable capital assets	15,541,486
Other capital assets, net of depreciation	305,266,743
Net pension asset	4,235,230
Total assets	546,993,172
Deferred Outflows of Resources	
Pensions	20,061,013
OPEB	624,112
Total deferred outflows of resources	20,685,125
Total assets and deferred outflows of resources	$ 567,678,297
Liabilities	
Accounts payable	$ 9,104,150
Accrued payroll and related benefits	14,866,544
Interest payable on bonds and leases	3,737,349
Unearned revenue	657,143
Claims payable	5,254,147
Other liabilities	1,068,271
Compensated absences	301,016
Long-term obligations, due within one year:	
Bonds payable	16,557,795
Leases payable	465,204
Common School Fund Loans	4,175,312
Loans payable	75,792
Long-term obligations, due in more than one year:	
Bonds payable	184,359,788
Leases payable	524,769
Common School Fund Loans	4,148,006
Loans payable	833,718
Net pension liability	24,192,075
Other post-employment benefits liabilities	10,883,377
Total liabilities	281,204,456
Deferred Inflows of Resources	
Pensions	27,460,712
Total liabilities and deferred inflows of resources	308,665,168
Net Position	
Net investment in capital assets	157,329,270
Restricted for:	
Nonpublic schools	2,527,214
Debt service	9,013,532
Unrestricted	90,143,113
Total net position	259,013,129
Total liabilities, deferred inflows of resources, and net position	$ 567,678,297

See accompanying notes to financial statements

FORT WAYNE COMMUNITY SCHOOLS
Statement of Activities
For the Year Ended June 30, 2020

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
					Primary Government
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental activities:					
Instruction	$ 212,504,397	$ 4,466,357	$ 55,009,495	$ -	$ (153,028,545)
Support services	127,439,635	976,110	5,695,508	2,419,210	(118,348,807)
Operation of noninstructional services	20,058,727	1,187,198	14,941,582	-	(3,929,947)
Interest on debt	6,164,353	-	-	-	(6,164,353)
Nonprogrammed charges	3,418,636	-	43,864	-	(3,374,772)
Total governmental activities	$ 369,585,748	$ 6,629,665	$ 75,690,449	$ 2,419,210	(284,846,424)

General revenues:	
Taxes:	
Local Property Taxes	72,572,740
License Excise Tax	5,399,372
Commercial Vehicle Excise Tax	721,294
Financial Institution Tax	1,418,387
State basic aid	211,802,658
Gain (loss) on sale of capital assets	103,528
Investment earnings	2,804,351
Other general revenues	11,057,269
Total general revenues	305,879,599
Change in net position	21,033,175
Net position, beginning of year	237,979,954
Net position, end of the year	$ 259,013,129

See accompanying notes to financial statements

FORT WAYNE COMMUNITY SCHOOLS
Governmental Funds – Balance Sheet
June 30, 2020

	Major Funds					Nonmajor	Total
	Operations Fund	Education Fund	Debt Service Fund	Bond Construction Fund	Referendum Debt Fund	Governmental Funds	Governmental Funds
Assets							
Cash and investments	$ 24,673,669	$ 63,170,572	$ -	$ -	$ -	$ 15,365,350	$ 103,209,591
Cash and investments - restricted	-	2,527,214	1,542,761	30,248,624	5,396,624	2,579,359	42,294,582
Receivables, net							
Taxes receivable	22,021,574	-	4,333,444	-	7,671,531	1,779,683	35,806,232
Intergovernmental receivable	-	71,865	-	-	-	8,184,378	8,256,243
Interfund receivable	-	-	-	-	-	1,664	1,664
Other receivables	-	7,798	-	-	-	47,433	55,231
Inventories	-	-	-	-	-	1,674,929	1,674,929
Prepaid items	739,304	35,581	1,875,946	40,891	8,343,112	2,357,819	13,392,653
Total assets	$ 47,434,547	$ 65,813,030	$ 7,752,151	$ 30,289,515	$ 21,411,267	$ 31,990,615	$ 204,691,125
Liabilities, Deferred Inflows of Resources, and Fund Balance							
Liabilities							
Accounts payable	$ 1,994,259	$ 524,755	$ -	$ 5,323,889	$ -	$ 1,257,135	$ 9,100,038
Salaries and payroll deductions payable	550,780	12,335,919	-	-	-	1,978,376	14,865,075
Intergovernmental payable	-	-	-	-	-	1,068,271	1,068,271
Unearned revenue	-	-	-	-	-	657,143	657,143
Total liabilities	2,545,039	12,860,674	-	5,323,889	-	4,960,925	25,690,527
Deferred Inflows of Resources							
Unavailable revenues	20,089,226	-	3,963,832	-	6,947,061	1,627,969	32,628,088
Fund balances							
Nonspendable	739,304	35,581	1,875,946	40,891	8,343,112	4,032,748	15,067,582
Restricted - Nonpublic schools	-	2,527,214	-	-	-	-	2,527,214
Restricted - Debt Service	-	-	1,912,373	-	6,121,094	980,065	9,013,532
Restricted - Capital projects	-	-	-	24,924,735	-	-	24,924,735
Assigned - Food services	-	-	-	-	-	10,001,468	10,001,468
Assigned - Textbook rental	-	-	-	-	-	7,757,857	7,757,857
Assigned - Facilities operations	24,060,978	-	-	-	-	2,610,165	26,671,143
Assigned - Instruction	-	50,389,561	-	-	-	1,523,511	51,913,072
Assigned - Capital needs	-	-	-	-	-	481,976	481,976
Assigned - Other	-	-	-	-	-	152,437	152,437
Unassigned	-	-	-	-	-	(2,138,506)	(2,138,506)
Total fund balance	24,800,282	52,952,356	3,788,319	24,965,626	14,464,206	25,401,721	146,372,510
Total liabilities, deferred inflows of resources and fund balance	$ 47,434,547	$ 65,813,030	$ 7,752,151	$ 30,289,515	$ 21,411,267	$ 31,990,615	$ 204,691,125

See accompanying notes to financial statements

FORT WAYNE COMMUNITY SCHOOLS
Reconciliation of the Governmental Funds
Balance Sheet to Statement of Net Position
June 30, 2020

Total fund balances - governmental funds		$	146,372,510
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:			
Capital assets, net of depreciation			320,808,229
Some assets and liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as assets or liabilities in governmental funds. These assets and liabilities consist of:			
Compensated absences	(301,016)		
Long-term debt, net	(211,140,384)		
Net pension asset	4,235,230		
Net pension liability	(24,192,075)		
Other post-employment obligations	(10,883,377)		
Total long-term liabilities			(242,281,622)
Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized when due.			(3,737,349)
Certain tax receivable items are not available to pay for current period expenditures and therefore are unavailable in the governmental funds.			32,628,088
Certain items related to pension and other post-employment benefit liabilities measurements are deferred and recognized in future periods.			
Deferred outflows of resources	20,685,125		
Deferred inflows of resources	(27,460,712)		(6,775,587)
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.			11,998,860
Total net position- governmental activities		$	259,013,129

See accompanying notes to financial statements

FORT WAYNE COMMUNITY SCHOOLS
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year ended June 30, 2020

	Major Funds					Nonmajor	Total
	Operations Fund	Education Fund	Debt Service Fund	Bond Construction Fund	Referendum Debt Fund	Governmental Funds	Governmental Funds
Revenues							
Property taxes	$ 44,874,966	$ -	$ 7,055,195	$ -	$ 15,586,158	$ 3,480,382	$ 70,996,701
Other taxes	4,977,496	-	685,219	-	1,424,798	451,539	7,539,052
State basic aid	-	211,046,435	-	-	-	5,858,554	216,904,989
Investment income	2,058,936	-	-	524,227	-	204,031	2,787,194
Federal sources	-	-	-	-	-	52,726,487	52,726,487
Other revenues	2,468,890	439,389	-	119,590	-	9,072,556	12,100,425
Total revenues	54,380,288	211,485,824	7,740,414	643,817	17,010,956	71,793,549	363,054,848
Expenditures							
Instruction	-	146,310,796	-	-	-	28,625,326	174,936,122
Support services	54,386,971	39,656,222	-	113,270	-	24,809,003	118,965,466
Operation of noninstructional services	470,482	686,642	-	-	-	18,514,950	19,672,074
Nonprogrammed charges	-	-	-	-	-	1,553,400	1,553,400
Capital outlays	12,401,816	-	-	26,219,167	-	2,604,499	41,225,482
Principal payments on debt	102,946	272,270	5,094,875	-	10,335,000	3,339,752	19,144,843
Interest on debt	15,440	40,836	150,454	-	7,200,901	253,464	7,661,095
Other debt services	-	-	-	3,650	-	-	3,650
Total expenditures	67,377,655	186,966,766	5,245,329	26,336,087	17,535,901	79,700,394	383,162,132
Excess (deficiency) of revenues over (under) expenditures	(12,997,367)	24,519,058	2,495,085	(25,692,270)	(524,945)	(7,906,845)	(20,107,284)
Other financing sources (uses)							
Proceeds from sales of assets	26,251	-	-	-	-	77,277	103,528
Issuance of common school fund loans	-	-	-	-	-	2,724,937	2,724,937
Issuance of bonds, par	-	-	-	22,685,000	-	-	22,685,000
Issuance of bonds, premium	-	-	-	1,623,257	-	-	1,623,257
Transfers in	15,000,000	678,592	-	-	-	1,721,793	17,400,385
Transfers out	(555,244)	(15,581,923)	(267,604)	-	-	(995,614)	(17,400,385)
Other financing sources (uses)	(199,426)	49,452	-	216,583	-	67,163	133,772
Total other financing sources (uses)	14,271,581	(14,853,879)	(267,604)	24,524,840	-	3,595,556	27,270,494
Net change in fund balances	1,274,214	9,665,179	2,227,481	(1,167,430)	(524,945)	(4,311,289)	7,163,210
Fund balances at beginning of year	23,526,068	43,287,177	1,560,838	26,133,056	14,989,151	29,713,010	139,209,300
Fund balances at end of year	$ 24,800,282	$ 52,952,356	$ 3,788,319	$ 24,965,626	$ 14,464,206	$ 25,401,721	$ 146,372,510

See accompanying notes to financial statements

FORT WAYNE COMMUNITY SCHOOLS
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to Statement of Activities
For the Year ended June 30, 2020

Net change in total fund balances		7,163,210
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report outlays for capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital outlay resulting in assets	36,178,987	
Depreciation expense	(14,390,020)	
Capital outlays in excess of depreciation expense		21,788,967
The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt principal repayment	19,149,474	
Debt issuance	(25,409,937)	
Debt premium issuance	(1,623,257)	(7,883,720)
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.		
Amortization of premiums and discounts		1,663,110
Some revenues were not collected as of the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2020 and 2019 consists of:		
Taxes		1,576,039
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Change in interest payable	(166,368)	
Change in OPEB liabilities and deferrals	(1,404,253)	
Change in pension asset, liability, and deferrals	228,599	
Change in compensated absences	(67,524)	
Total		(1,409,546)
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The change in net position of the internal service funds is reported with governmental activities.		(1,864,885)
Change in net position of governmental activities		21,033,175

See accompanying notes to financial statements

FORT WAYNE COMMUNITY SCHOOLS
Statement of Net Position
Proprietary Fund
June 30, 2020

		Internal Service Fund Self-Insurance Fund
Current assets		
Cash and cash equivalents	$	17,226,511
Prepaid items		32,077
Total assets	$	17,258,588
Current liabilities		
Accounts payable	$	4,112
Accrued payroll and related benefits		1,469
Claims payable		5,254,147
Total liabilities		5,259,728
Net Position		
Unrestricted		11,998,860
Total net position		11,998,860
Total liabilities and net position	$	17,258,588

See accompanying notes to financial statements

FORT WAYNE COMMUNITY SCHOOLS
Statement of Revenue, Expenses, and Changes in Net Position
Proprietary Fund
For the Year ended June 30, 2020

	Internal Service Fund Self-Insurance Fund
Operating revenue	
Insurance premiums paid by employees and employer revenues	$ 49,373,256
Total operating revenue	49,373,256
Operating expenses	
Insurance claims	51,238,141
Total operating expenses	51,238,141
Change in net position	(1,864,885)
Total net position, beginning of year	13,863,745
Total net position, end of year	$ 11,998,860

See accompanying notes to financial statements

FORT WAYNE COMMUNITY SCHOOLS
Statement of Cash Flows
Proprietary Fund
For the Year ended June 30, 2020

		Internal Service Fund Self-Insurance Fund
Cash flows from operating activities		
Cash collected for self-insurance claims	$	49,373,256
Claims paid		(49,800,010)
Net cash decrease in cash and cash equivalents		(426,754)
Cash and cash equivalents-beginning		17,653,265
Cash and cash equivalents-ending	$	17,226,511
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating loss	$	(1,864,885)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Increase (decrease) in:		
Prepaid items		(32,077)
Accounts payable		(147,048)
Accrued payroll and related benefits		460
Claims payable		1,616,796
Net cash used by operating activities	$	(426,754)

See accompanying notes to financial statements

FORT WAYNE COMMUNITY SCHOOLS
Statement of Fiduciary Net Position
June 30, 2020

		Agency Funds
Assets		
Cash and investments	$	1,976,187
Total assets	$	1,976,187
Liabilities		
Interfund payable		1,664
Cash held for employees		457,179
Cash held for students		1,517,344
Total liabilities	$	1,976,187

See accompanying notes to financial statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: Fort Wayne Community Schools (the “School Corporation”) was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services for students from pre-school through high school. The School Corporation operates 50 schools and employs over 4,000 staff members providing services and support to 29,710 students during the 2019-2020 school year.

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

Blended Component Unit: The following component unit has been presented as a blended component unit. The Board of the component unit is made up of individuals appointed by the School Corporation Board of Trustees. There is either a financial benefit or burden relationship between the School Corporation and the component unit or management of the primary government has operational responsibility for the component unit or the component unit provides services exclusively or almost exclusively to the primary government:

- Fort Wayne Community Schools Building Corporation (Building Corporation). The component unit is presented as a portion of debt service and the bond construction funds.

The component unit detailed above holds bonds currently outstanding in the amount of $170,675,000. The School Corporation has entered into lease revenue arrangements with the Building Corporation to pay off the entirety of this debt as scheduled. The lessor and lease transactions have been eliminated for the reporting entity presentation of financial statements.

Related Parties: The School Corporation is supported by a number of parent teacher organizations and booster groups as well as the FWCS Foundation. Each of these organizations are separate legal entities and have their own governing boards. The School Corporation does not control these groups but, does work closely with them to identify areas where they can support educational programs within the schools.

Government-Wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the School Corporation. The effect of interfund activity has been removed from these statements. The School Corporation’s operating activities are all considered “governmental activities,” that is, activities normally supported by taxes and intergovernmental revenues. The School Corporation has no operating activities that would be considered “business type activities.”

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements: Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the School Corporation’s general governmental activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, deferred inflows, deferred outflows, fund balance, revenues, and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements. Fiduciary funds are excluded from the government-wide financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting: The government-wide financial statements, the internal service fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available." "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School Corporation considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims, and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Major Governmental Funds

The School Corporation reports the following major governmental funds:

Operations Fund – the Operations Fund is required by IC 20-40-18. It is a special revenue fund used to account for receipt of the operation property tax levy and other excise and local income taxes. It is also used to pay expenses allocated to overhead and operational activities.

Education Fund – the Education Fund is a special revenue fund required by IC 20-40-2. It is used to account for all tuition receipts and disbursements related to student instruction and learning.

Referendum Debt Fund – the Referendum Debt Fund is a debt service fund that accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs associated with the capital referendum.

Debt Service Fund - accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

Bond Construction Fund - accounts for construction projects and renovations financed through various bond issuances. This fund is an aggregate of multiple capital project type funds.

Other Fund Types

Additionally, the School Corporation reports the following fund types:

Nonmajor Debt Service Funds – Certain nonmajor funds account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nonmajor Special Revenue Funds – Various funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, other than those accounted for in the Debt Service Fund, capital project type funds, or fiduciary funds.

Significant Special Revenue Funds

School Lunch Fund - accounts for the various grants, receipts and related costs for the school lunch program.

Curricular Materials Rental Fund - accounts for the receipts and disbursements related to rental of textbooks and other curricular materials and supplies.

Internal Service Funds – The self-insurance fund is a proprietary fund and accounts for the cost of purchased insurance, the operation and administration of the School Corporation's self-insurance programs, and the cost of administering and collecting the School Corporation's occupational premiums.

Fiduciary Funds – Certain extra-curricular funds and clearing funds account for assets held by the School Corporation in an agency capacity.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance:

Deposits and Investments: 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. State statute (IC 5-13-9) authorizes the School Corporation to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

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

Restricted Assets: All restricted assets, as presented in the accompanying financial statements, are restricted due to debt service requirements, capital requirements, grantor intent and funds required to be spent on nonpublic school needs by the State.

Interfund Transactions and Balances: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/payables.

Deferred Outflows of Resources and Deferred Inflows of Resources: Deferred outflows of resources represent a consumption of net position that applies to future periods. Deferred inflows of resources represent an acquisition of net position that applies to future periods. These amounts will not be recognized as expense or revenue until the applicable period. The School Corporation's activities are related to recognition of changes in its defined benefit plan's net pension liability that will be amortized in future periods, recognition of changes in its other post-employment benefit plans that will be amortized in future periods and deferred amounts on debt refunding which will be recognized as interest expense over the life of the debt.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories: All material inventories would be recorded at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed.

Prepaid Items: 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. Additionally, debt payments made for amounts due in the month following the School Corporation's fiscal year end are considered prepaid in debt service funds.

Property Tax Revenues: Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the School Corporation in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by January 15. These rates were based upon the preceding year's lien date and assessed valuations are adjusted for various tax credits. Taxable property is assessed at 100 percent 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 which normally become delinquent if not paid by May 10 and November 10, respectively.

Capital Assets: Capital assets, which include land, land improvements, buildings, equipment, and construction in progress, are reported in the government-wide financial statements. Capital assets are defined by the School Corporation as assets with an initial individual cost of $5,000 or more and an estimated useful life of 5 years or more or improvements or renovations that extend the useful life of an asset more than 2 years. Such assets are recorded at cost at the date of acquisition if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20-40
Improvements Other Than Buildings	10-40
Buses	12
Other Vehicles	5-10
Machinery and Equipment	5-10

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-Term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the life of the applicable bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year of issuance.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

- *Net investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less any unspent debt proceeds.

- *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.

- *Unrestricted net position* - All other net positions that do not meet the definition 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, and then unrestricted resources as they are needed.

Pensions: The School Corporation has recorded a net pension liability and a net asset reflecting their proportionate share of the difference between the total pension liabilities and the fiduciary net positions of the Indiana Public Retirement System (INPRS) funds:

- Public Employee's Retirement Fund (PERF) Plan
- Teacher's Retirement Fund (TRF) Plan

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

For purposes of measuring the net pension liabilities, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of INPRS Plans and additions to/deductions from the INPRS Plans fiduciary net position have been determined on the same basis as they are reported by the INPRS system. 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Post-Employment Benefits: For purposes of measuring the School Corporation's Post-Employment Benefits Other than Pensions ('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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Compensated Absences: The School Corporation vacation and sick leave policies and collective bargaining agreements generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability is reported in the government-wide financial statements. A liability is reported only for vacation leave which is owed to employees in certain classified year-round positions upon retirement or termination and is limited to a five-day carryover from one fiscal year to the next. Sick leave accumulates but does not vest.

Tax Abatements: Under the state statute, IC 6-1.1-12.1, Allen County, and cities and towns within Allen County, provide tax abatements for rehabilitation or redevelopment of real property in economic revitalization areas. The tax abatements under this statute are for real property tax and personal property tax. For Allen County's calendar year 2019, tax amounts of $3,969,000 were abated which reduced County revenues. These abatements have a lesser impact on the School Corporation's collection of property taxes due to allocation to many underlying tax units.

Allen County - Real property	$	1,407,000
Allen County - Personal property	$	1,100,000
All Cities and Towns within Allen County - Real property	$	1,462,000

Indiana Economic Development Corporation (IEDC) Tax Abatements: County income tax revenues may also be reduced by certain income tax abatements granted by the IEDC. The IEDC offers various abatement or credit programs but the three most applicable to Allen County are the Community Revitalization Enhancement District (CReED), the Economic Development for a Growing Economy (EDGE) and the Hoosier Business Investment (HBI) tax credits. These programs offer income tax credits for pre-approved eligible capital investment and job creation. As of December 31, 2019, there are approximately 87 recipients in Allen County with Active IEDC contracts for which almost $38,413,000 in credits has been received over the life of these contracts. Credits can be taken against state and/or local tax liability, such as adjusted gross income tax, local income tax, insurance premiums tax, and financial institutions tax. The County is a recipient of the local income and financial institution taxes. For purposes of GASB 77 the abatement of financial institutions tax is not considered an abatement of local tax revenues, but rather a reduction of shared revenue. For year-end December 31, 2019, the amount County income tax revenues are reduced by these credits could not be calculated based on the State information available but is not estimated to be materially significant to the County or the School Corporation.

Commitments and Contingencies: In the ordinary course of business, a number of claims and lawsuits may arise from individuals seeking compensation for incidents occurring in the operation of the School Corporation. In addition, the School Corporation has been named as a defendant in litigation relating to personnel and contractual matters. Management does not believe that the outcome of these claims will have a material adverse effect on the School Corporation's financial position. However, in the event of an unfavorable outcome in one or more of these matters, the impact could be material to the School Corporation's financial position or results of operations.

Eliminations and Reclassifications: In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows and deferred outflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - FUND BALANCES

The components of fund balance include the following line items:

	Operations Fund	Education Fund	Debt Service Fund	Bond Construction Fund	Referendum Debt Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable fund balance:	$ 739,304	$ 35,581	$1,875,946	$ 40,891	$ 8,343,112	$ 4,032,748	$ 15,067,582
Restricted fund balance:							
Nonpublic schools	-	2,527,214	-	-	-	-	2,527,214
Debt service	-	-	1,912,373	-	6,121,094	980,065	9,013,532
Capital projects	-	-	-	24,924,735	-	-	24,924,735
Total	-	2,527,214	1,912,373	24,924,735	6,121,094	980,065	36,465,481
Assigned fund balance:							
Food services	-	-	-	-	-	10,001,468	10,001,468
Textbook rental	-	-	-	-	-	7,757,857	7,757,857
Facilities operations	24,060,978	-	-	-	-	2,610,165	26,671,143
Instruction	-	50,389,561	-	-	-	1,523,511	51,913,072
Capital needs	-	-	-	-	-	481,976	481,976
Other	-	-	-	-	-	152,437	152,437
	24,060,978	50,389,561	-	-	-	22,527,414	96,977,953
Unassigned fund balance:	-	-	-	-	-	(2,138,506)	(2,138,506)
	$24,800,282	$52,952,356	$3,788,319	$ 24,965,626	$ 14,464,206	$ 25,401,721	$ 146,372,510

Fund Balance Classifications. Fund balances are divided into five classifications for the Governmental Fund financial statements based on GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions as follows:

- Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must remain intact.

NOTE 2 - FUND BALANCES (Continued)

- Restricted fund balance has externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation.
- Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the primary government, the School Corporation Board is the highest level of decision making.
- Assigned fund balance represents amounts that are intended to be used by the primary government for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. Any negative fund balance in other funds would also be classified into this category.

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the School Corporation will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the School Corporation will consider committed fund balance to be spent before assigned fund balance and consider assigned fund balance to be spent before unassigned fund balance.

The following funds had deficit fund balances as of June 30, 2020:

- The Common School Loan Fund, a nonmajor special revenue fund, had a deficit fund balance of $1,302,361 due to differences in timing of expenses and loan transactions.
- The STAA School Technology Advancement Fund, a nonmajor special revenue fund, had a deficit fund balance at of $181,634 due to expenses exceeding revenues during the year.
- Various nonmajor special revenue funds related to reimbursable grants had deficit fund balances due to timing differences between certain expenses and their related revenues.

NOTE 3 - DEPOSITS AND INVESTMENTS

Cash and Cash Equivalents: The total carrying amount of cash and cash equivalents was $164,706,871 at June 30, 2020, while the bank balances were $165,786,109. The carrying value of cash related to governmental type activities and fiduciary activities was $162,730,684 and $1,976,187, respectively, at June 30, 2020. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

Deposits: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 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 School Corporation does not have a deposit policy for custodial credit risk, as funds are only deposited into eligible state depositories.

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Investments: State statute (IC 5-13-9) authorizes the School Corporation to invest in securities, including but not limited to, federal government securities, repurchase agreements and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local government units.

NOTE 4 – RESTRICTED ASSETS

The School Corporation and the Building Corporation have cash and investments that are externally restricted for their use by either a tax levy, capital referendum, bond issuance related funds (debt service or construction proceeds), state statute or grantors held by the School Corporation as follows ay June 30, 2020:

	APC Funds	Bond funds (Debt Service)	Bond funds (Proceeds)	Grant Funds	Total
Governmental Activities:					
Major Funds:					
Operations	$ -	$ -	$ -	$ -	$ -
Education	2,527,214	-	-	-	2,527,214
Debt Service	-	1,542,761	-	-	1,542,761
Bond Construction	-	-	30,248,624	-	30,248,624
Referendum Debt	-	5,396,624	-	-	5,396,624
					-
Non-Major Funds:					-
Debt Service	-	828,351	-	-	828,351
Grants	-	-	-	1,751,008	1,751,008
Totals	$ 2,527,214	$ 7,767,736	$ 30,248,624	$ 1,751,008	$ 42,294,582

APC (Annual Public Count) funds are those funds required to be spent on special education programs at nonpublic schools.

NOTE 5 - RECEIVABLES

The School Corporation reports receivables for property taxes receivable, intergovernmental receivables, and operating activities. Property taxes represent an estimate of anticipated second distribution for the January 1, 2020 tax levy that will be collected in November and December 2020. An estimate was performed utilizing the School Corporation's 2020 tax levy, circuit breaker credits and historical collection rates. Intergovernmental receivables are primarily state funding or grants. Other accounts receivable at June 30, 2020 consist of student receivables and other receivables. Management has determined certain accounts to not be fully collectible and has thus recorded an allowance for uncollectible accounts.

NOTE 5 – RECEIVABLES (Continued)

Receivables balances at June 30, 2020 are all related governmental funds and include the following:

	June 30, 2020 Balance
Student receivables	$ 450,300
Less allowance for uncollectible accounts	(418,912)
Subtotal	31,388
Other receivables	25,507
Taxes receivable	35,806,232
Intergovernmental receivable	8,256,243
Total receivables	$ 44,119,370

NOTE 6 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Nondepreciable capital assets				
Land	$ 11,008,169	$ 122,856	$ -	$ 11,131,025
Construction in Progress	684,636	31,737,251	28,011,426	4,410,461
Total nondepreciable capital assets	11,692,805	31,860,107	28,011,426	15,541,486
Other capital assets				
Buildings	457,079,232	26,582,827	-	483,662,059
Improvements Other Than Buildings	30,193,100	1,428,599	6,600	31,615,099
Machinery and equipment	41,492,707	4,318,880	3,512,837	42,298,750
Total other capital assets	528,765,039	32,330,306	3,519,437	557,575,908
Less: Accumulated depreciation				
Buildings	194,903,620	10,766,429	-	205,670,049
Improvements Other Than Buildings	25,430,533	501,718	6,600	25,925,651
Machinery and equipment	21,104,429	3,121,873	3,512,837	20,713,465
Total accumulated depreciation	241,438,582	14,390,020	3,519,437	252,309,165
Total other capital assets, net	287,326,457	17,940,286	-	305,266,743
Total governmental activity capital assets, net	$ 299,019,262	$ 49,800,393	$ 28,011,426	$ 320,808,229

Depreciation expense was recognized in the operating activities of the School Corporation as follows:

Governmental Activities	Depreciation
Instruction	$ 10,870,402
Support services	3,149,240
Operation of noninstructional services	370,378
Total depreciation expense - governmental activities	$ 14,390,020

NOTE 6 - CAPITAL ASSETS (Continued)

As of June 30, 2020, the School Corporation has $29,240,739 of contractual commitments outstanding. These outstanding commitments relate to various renovation projects at school buildings.

NOTE 7 - LONG-TERM LIABILITIES

Changes in General Long-Term Liabilities: The following is the long-term liability activity for the School Corporation for the year ended June 30, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
Bonds payable - School Corporation	$ 12,606,653	$ 8,150,000	3,910,000	$ 16,846,653	$ 7,282,795
Bond Premium - School Corporation	-	243,867	84,784	159,083	-
Bonds payable - Building Corporation	166,475,000	14,535,000	10,335,000	170,675,000	9,275,000
Bond Premium - Building Corporation	13,435,783	1,379,390	1,578,326	13,236,847	-
Total bonds payable	192,517,436	24,308,257	15,908,110	200,917,583	16,557,795
Other long term debt:					
Common School Fund loans	10,057,887	2,724,937	4,459,506	8,323,318	4,175,312
Other Loans	909,510	-	-	909,510	75,792
Capital leases payable	1,434,941	-	444,968	989,973	465,204
Compensated absences	233,492	242,645	175,121	301,016	301,016
Net pension liabilty	25,025,353	5,276,607	6,109,885	24,192,075	-
Total OPEB liability	9,557,138	1,646,546	320,307	10,883,377	-
Total other long term debt	47,218,321	9,890,735	11,509,787	45,599,269	5,017,324
Total long-term liabilities - governmental activities	$ 239,735,757	$ 34,198,992	$ 27,417,897	$ 246,516,852	$ 21,575,119

The debt service fund, referendum debt fund, and pension obligation debt service fund are typically used to liquidate the bond, loan and lease liabilities.

Bonds payable: The School Corporation’s general obligation and pension bonds are direct obligations and pledge the full faith and credit of the School Corporation. Bonds currently outstanding are as follows:

Purpose	Maturity Date	Interest Rate (%)	Orignal Amount	Oustanding Balance
General Obligation Qualified Zone Academy Bonds, Series 2009	1/16/2025	1.85	2,000,000	$ 700,000
FWCS Taxable Qualified Zone Academy GO Bonds 2010	1/15/2022	5.31	2,000,000	1,000,000
FWCS Amended General Obligation Pension Bonds of 2004 (Taxable)	1/5/2022	5.66 - 6.46	40,000,000	6,996,653
General Obligation Bonds, Series 2019	1/15/2022	2.00 - 4.00	8,150,000	8,150,000
				$ 16,846,653

Annual debt service requirements to maturity for general obligation and pension bonds are as follows for governmental activities:

Fiscal Year	Principal	Interest	Total
2021	$ 7,282,795	$ 414,444	$ 7,697,239
2022	9,143,858	187,260	9,331,118
2023	140,000	7,770	147,770
2024	140,000	5,180	145,180
2025	140,000	2,190	142,190
Total	$ 16,846,653	$ 616,844	$ 17,463,497

.

NOTE 7 – LONG-TERM LIABILITIES (Continued)

The Building Corporation revenue bonds are currently outstanding are as follows:

Purpose	Maturity Date	Interest Rate (%)	Orignal Amount	Oustanding Balance
Unlimited Ad Valorem Property Tax First Mortgage Bonds, Series 2013	1/15/2033	1.15 - 5.00	54,955,000	$ 44,250,000
Unlimited Ad Valorem Property Tax First Mortgage Bonds, Series 2014	1/15/2034	3.00 - 5.00	35,025,000	30,475,000
Unlimited Ad Valorem Property Tax First Mortgage Bonds, Series 2015	7/15/2032	3.00 - 5.00	8,740,000	7,030,000
Unlimited Ad Valorem Property Tax First Mortgage Bonds, Series 2016	1/15/2035	4.00	1,865,000	1,865,000
Unlimited Ad Valorem Property Tax First Mortgage Bonds, Series 2016B	7/15/2031	4.00	7,320,000	7,320,000
Unlimited Ad Valorem Property Tax First Mortgage Bonds, Series 2017A	1/15/2036	2.50 - 5.00	32,290,000	22,005,000
Unlimited Ad Valorem Property Tax First Mortgage Bonds, Series 2017B	1/15/2037	3.00 - 5.00	47,550,000	43,195,000
Unlimited Ad Valorem Property Tax First Mortgage Bonds, Series 2019	7/15/2038	4.00	14,535,000	14,535,000
				$ 170,675,000

Annual debt service requirements to maturity for revenue bonds are as follows for governmental activities:

Fiscal Year	Principal	Interest	Total
2021	$ 9,275,000	$ 7,428,700	$ 16,703,700
2022	9,735,000	6,950,300	16,685,300
2023	8,680,000	6,558,900	15,238,900
2024	9,055,000	6,180,100	15,235,100
2025	9,445,000	5,772,400	15,217,400
2026 - 2030	54,710,000	21,735,400	76,445,400
2031 - 2035	56,630,000	8,593,400	65,223,400
2036 - 2039	13,145,000	775,900	13,920,900
Total	$ 170,675,000	$ 63,995,100	$ 234,670,100

Common School Fund Loans Payable: The School Corporation has $10,631,882 of Common School Fund Loan commitments, of which $8,323,318 has been drawn as of June 30, 2020. The School Corporation submits applications to the Office of School Finance of the Indiana Department of Education for advancements from the Indiana Common School Fund. The advancements must be used for educational technology as stated in the application and the School Corporation's 3-year technology plan. The State Board of Education approves the advancement of funds and the Indiana Treasurer of State's office administers the loan. The outstanding Common School Fund Loans are as follows:

Loan	Maturity Date	Interest Rate	Face Amount	Carrying Amount
A2850	7/1/2020	1%	$ 1,938,492	$ 323,083
A2906	7/1/2020	1%	1,916,389	319,399
A2943	7/1/2021	1%	1,940,772	970,387
B0006	7/1/2021	1%	1,938,258	969,127
B0045	7/1/2022	1%	1,941,194	1,617,662
B0086	7/1/2020	1%	587,334	293,667
B0100	7/1/2022	1%	1,945,681	1,621,401
B0187	1/1/2021	1%	305,727	305,727
B0145	1/1/2021	1%	1,876,248	1,876,248
B0194	7/1/2023	1%	26,617	26,617
				$ 8,323,318

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Annual debt service requirements to maturity for Common School Fund Loans are as follows for governmental activities:

Fiscal Year	Principal		Interest		Total	
2021	$	4,175,310	$	80,989	$	4,256,299
2022		2,613,555		50,365		2,663,920
2023		1,307,550		19,611		1,327,161
2024		226,903		3,274		230,177
	$	8,323,318	$	154,239	$	8,477,557

Other Loans Payable: The School Corporation has a loan outstanding with Parkview Health System, Inc. (Parkview) in the amount of $909,510. The loan has an interest rate of 6%. The School Corporation entered into a lease with Parkview for classroom space in their building on West Cook Road for Career Academy programs. Parkview paid for building improvements to the leased space and the School Corporation is repaying Parkview for the improvements. Annual debt service requirements related to this loan are as follows.

Fiscal Year Ending June 30	Principal		Interest		Total	
2021	$	75,792	$	-	$	75,792
2022		75,792		-		75,792
2023		57,051		42,924		99,975
2024		60,569		40,405		100,974
2025		64,305		36,669		100,974
2026 - 2030		386,144		118,727		504,871
2031 - 2032		189,857		12,093		201,950
Total	$	909,510	$	250,818	$	1,160,328

Capital leases: The School Corporation has entered into various lease agreements as lessee for copiers and computers. The copier and computer leases have an imputed interest rate of 1.22% and 1.40%, respectively. These assets have an acquisition cost of $2,188,086, accumulated depreciation of $1,389,868 and a net book value of $798,218. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

Fiscal Year Ending June 30	Principal		Interest		Total	
2021	$	465,204	$	39,305	$	504,509
2022		417,247		18,101		435,348
2023		107,522		1,315		108,837
Total	$	989,973	$	58,721	$	1,048,694

NOTE 7 – LONG-TERM LIABILITIES (Continued)

On June 11, 2020, the School Corporation entered into an agreement with the Electric Works West Campus Landlord, LLC (lessor) to lease a piece of property. The lessor is in the process of rehabilitating the property, which the School Corporation will lease. The lease is not expected to commence until the rehabilitation is completed in June 2022 and is expected to expire in the 120th month after the commencement date. Monthly base rent is expected to be approximately $32,000 but is subject to change prior to the lease commencement date.

NOTE 8 – INTERFUNDS AND TRANSFERS

Temporary loans are made between funds for cash flow purposes to cover operating expenses until property tax and student lunch payments are received. All temporary loans will be repaid on or before December 31, 2020. Individual fund interfund receivable and payable balances at June 30, 2020 were as follows:

	Interfund Receivables	Interfund Payables
Governmental Activities:		
Non-Major Funds:		
School Lunch	$ 209	$ -
Special Revenue	1,455	-
Agency Fund:		
Extra-curricular account	-	1,664
Totals	$ 1,664	$ 1,664

Transfers between funds were as follows for the year ended June 30, 2020:

Transfer In	Transfer Out	Amount	Purpose
Nonmajor fund	Operations	$ 555,244	Transfer to reestablish Universal Service Fund
Operations	Education	15,000,000	Board authorized transfer to cover expenses not already allocated to instruction
Nonmajor fund	Education	581,923	Board authorized transfer to cover expenses not already allocated to instruction
Education	Nonmajor	678,592	Transfer to reimburse Medicaid deductions from state tuition support
Nonmajor fund	Debt Service	267,604	Transfer to cover shortfall due to uncollectible curricular material fees
Nonmajor funds	Nonmajors funds	317,022	Transfers to establish funds per IDOE chart of accounts and for future vocational equipment purchases
Total		$ 17,400,385	

NOTE 9 - RISK MANAGEMENT

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and 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; 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 were no significant reductions in insurance by major category of risk.

Self-insurance plan: The School Corporation has adopted a plan of self-insuring employee group medical and workers compensation insurance. Expenses are recorded as incurred. Insurance policies limit the School Corporation's annual liability for medical claims to $300,000 per individual and the annual aggregate limit to $52,184,800. For workers compensation, insurance policies limit the annual liability to $400,000 per occurrence and $5,000,000 in the annual aggregate. The accrual represents the School Corporation's estimate of claims and fees that were incurred but unpaid as of the end of the year, which is recorded under Other Liabilities. At June 30, 2020, the School Corporation estimates this liability to be as follows:

	June 30, 2020 Balance
Liability, beginning of year	$ 3,637,351
Add: Current year claims incurred	51,416,806
Less: Payment of current year claims	(49,800,010)
Liability, end of year	$ 5,254,147

NOTE 10 - PENSION PLANS

The School Corporation participates in three pension plans, which are administered by the Indiana Public Employees' Retirement System (INPRS).

Pension Plan Fiduciary Net Position: Detailed information about the pension plans' fiduciary net position is available in a stand-alone financial report of INPRS that includes financial statements and required supplementary information for the plans as a whole. These reports may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (888) 526-1687, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

NOTE 10 - PENSION PLANS (Continued)

Public Employees' Retirement Fund

Plan Description*:* The School Corporation participates in the Public Employees' Retirement Fund (PERF), 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) components 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). The School Corporation does not participate in the My Choice Plan. 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 was required to contribute at a current rate of 11.2% of annual covered payroll for fiscal year 2020. 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. Employer contributions to the PERF plan from the School Corporation were $4,596,977 for the fiscal year ended June 30, 2020. The School Corporation chose to fund the 3.0 percent member portion of contributions of $1,238,777 for the current fiscal year. For the fiscal year ended June 30, 2020, covered payroll for PERF members was $41,296,329.

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 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.

NOTE 10 - PENSION PLANS (Continued)

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.

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 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.

NOTE 10 - PENSION PLANS (Continued)

Financial Report: INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report is available online at http://www.inprs.in.gov/ .

Teachers' Retirement Plan 1996 Account:

Plan Description: The Teachers' Retirement Fund (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 public schools of Indiana. State statute (IC 5-10.2) gives the School Corporation authority to contribute and governs most requirements of the system. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account.

For employees entering into TRF-covered employment after July 1, 2019, there are two choices of retirement plans: the TRF Hybrid Plan (Hybrid) and the TRF My Choice Retirement Savings Plan (My Choice). If employees do not make a choice, they will default to the Hybrid plan. Their choice, or default is irrevocable.

Contributions: Contributions are determined by the INPRS Board based on an actuarial valuation. Employers contribute 5.5 percent of covered payroll. Employer contributions to the TRF plan from the School Corporation were $5,544,876 for the fiscal year ended June 30, 2020. For the fiscal year ended June 30, 2020, covered payroll for TRF 1996 members was $98,712,670.

Both the Hybrid and My Choice plans account consists of members' contributions, set by state statute at 3.0 percent of compensation, plus the interest credited to the member's account. The employer must pay the 3.0 percent contribution for those members enrolled in the My Choice Plan. However, the employer can choose to pay the 3.0 percent contribution for those members enrolled in the Hybrid Plan. The School Corporation has elected to make the contributions on behalf of the member.

Retirement Benefits:

Hybrid Plan – A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service, 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the TRF-covered position. A member is entitled to an early retirement benefit at age 50 and minimum of 15 years of creditable service. The benefit is 44 percent at age 50, increasing five percent per year up to 89% at age 59.

The lifetime annual benefit equals the years of creditable service multiplied by the average highest five-year annual salary multiplied by 1.1 percent (minimum of $185 per month). Average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than $2,000 received from the employer in severance. Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board.

My Choice Plan – A member is eligible for distribution of their funds to a MetLife annuity at age 62 and after 5 full years of participation. For distributions before January 1, 2021, a member must be separated from TRF employment for at least 30 days. On and after January 1, 2021, if a member is not normal retirement age, the member must be separated from TRF employment for at least 30 days before taking a distribution. Members at a normal retirement age do not need to wait 30 days after separation from TRF employment to take a distribution.

NOTE 10 - PENSION PLANS (Continued)

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:

Hybrid Plan – An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of $185 per month). Under certain conditions, active TRF members may qualify for a classroom disability benefit of at least $125 per month. If death occurs while in active service, a spouse or dependent beneficiary of a member with a minimum of 15 years of creditable services receives a benefit as if the member retired the later of age 50 or the age the day before the member's death. If death occurs while receiving a benefit, a spouse or dependent receives the benefit associated with the member's selected form of payment: Five Year Certain & Life, Joint with 100% Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

My Choice Plan – In the case of a death of an in-service member, INPRS will disburse funds in that member's DC and Rollover Pre-Tax Contribution accounts to the member's named beneficiary. If a beneficiary is not named assets will automatically pass to a surviving spouse, surviving dependents or an estate. A beneficiary may elect to have the account paid as a lump sum, direct rollover to another eligible retirement plan, an annuity to MetLife if the account balance is at least $5,000 and the beneficiary or spouse is at least 62 years old or installment payments for up to 5 years. Spousal beneficiaries may annuitize the DC and Rollover Pre-Tax Contribution funds with MetLife if the DC balance is at least $5,000 including the Rollover Pre-Tax Contribution and the beneficiary is at least 62 years of age.

Financial report: INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

Teachers' Retirement Pre-1996 Account:

Plan Description: The Indiana State Teachers' Retirement Fund Pre-1996 Account (TRF Pre-1996) is a pay-as-you-go cost-sharing, multiple-employer defined benefit plan providing retirement, disability, and survivor benefits for teachers, administrators, and certain INPRS personnel hired before July 1, 1996. Membership in TRF Pre-1996 is closed to new entrants. TRF Pre-1996 is a component of the Teachers' Hybrid Plan. The Teachers' Hybrid Plan consists of two components: TRF Pre-1996, the monthly employer-funded defined benefit component, along with TRF DC, a member-funded account.

This Plan's pension liabilities are the responsibility of the State of Indiana, so no net pension liability is recorded for the School Corporation's reporting entity. The State of Indiana assumes 100% of the net pension liability for the plan. The net pension liability and pension expense associated with the School Corporation was $350,501,488 and $25,748,365 as of, and for the year ended June 30, 2019 valuation date. The School Corporation's share of nonemployer contributing entity contributions made by the State of Indiana was $31,123,026 for the year ended June 30, 2020.

NOTE 10 - PENSION PLANS (Continued)

Retirement Benefits: A member is entitled to a full retirement benefit 1) at age 65 with at least 10 years of creditable service, 2) at age 60 with at least 15 years of creditable service, 3) at age 55 if age and creditable service total at least 85, 4) at age 55 with 20 years of creditable service and active as an elected official in the TRF-covered position, or 5) at age 70 with 20 years of creditable service and still active in the TRF-covered position. A member is entitled to an early retirement benefit at age 50 and minimum of 15 years of creditable service. The benefit is 44 percent of full benefit at age 50, increasing five percent per year up to 89 percent at age 59. The lifetime annual benefit equals the years of creditable service multiplied by the average highest five-year annual salary multiplied by 1.1 percent (minimum of $185 per month). The average annual compensation is outlined in IC 5-10.2-4-3 and includes compensation of not more than $2,000 received from the employer in severance. Postretirement benefit increases are granted on an ad hoc basis pursuant to IC 5-10.2-12-4 and administered by the INPRS Board. For the year ended June 30, 2019, postretirement benefits of $21.8 million were issued to members as a 13th check.

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: An active member qualifying for Social Security disability with five years of creditable service may receive an unreduced retirement benefit for the duration of their disability (minimum of $185 per month). Under certain conditions, active TRF members may qualify for a classroom disability benefit of at least $125 per month. If death occurs while in active service, a spouse or dependent beneficiary of a member with a minimum of 15 years of creditable service receives a benefit as if the member retired the later of age 50 or the age the day before the member’s death. If death occurs while receiving a benefit, a spouse or dependent receives the benefit associated with the member’s selected form of payment: Five Year Certain & Life, Joint with 100% Survivor Benefits, Joint with Two-Thirds Survivor Benefits, or Joint with One-Half Survivor Benefits.

Contributions: According to statute, the TRF Pre-1996 fund is funded primarily by appropriations from the state general fund and lottery proceeds. No member or employer contributions are required. TRF Pre-1996 Account members contribute three percent of covered payroll to their annuity savings account, which is not used to fund the defined benefit pension. The employer may elect to make the contributions on behalf of the member. In addition, members may elect to make additional voluntary contributions, under certain criteria, of up to ten percent of their compensation into their annuity savings accounts. The School Corporation has elected to make three percent contributions on behalf of their participating employees. For the fiscal year ended June 30, 2020, the School Corporation showed 329 employees participating in the Teachers’ Retirement Fund Pre-1996 Account with annual payroll equal to $23,446,029. The School Corporation chose to fund member portion of contributions of $703,386 on members’ behalf.

Financial Report: INPRS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the plan as a whole. This report may be obtained by writing the Indiana Public Retirement System, One North Capitol, Suite 001, Indianapolis, IN 46204, by calling (844) 464-6777, by emailing questions@inprs.in.gov, or by visiting www.in.gov/inprs.

NOTE 10 - PENSION PLANS (Continued)

Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: At June 30, 2020, the School Corporation reported a net pension liability of $24.2 million for PERF and a net pension asset of $4.2 million for TRF, for their proportionate share of the multiple employer cost-sharing defined benefit plans. The School Corporation's proportionate share of the net pension liability and asset was based on the School Corporation's wages as a proportion of total wages.

	PERF	TRF-1996	Aggregate
Measurement Date	June 30, 2019	June 30, 2019	
Proportionate Share	0.0073197	0.0294811	
Net Pension Liability/(Asset)	$ 24,192,075	$ (4,235,230)	$ 19,956,845
Deferred Outflow of Resources	$ 5,292,802	$ 14,768,211	$ 20,061,013
Deferred Inflow of Resources	$ 4,003,316	$ 23,457,396	$ 27,460,712
Pension Expense	$ 3,627,511	$ 6,285,744	$ 9,913,255

The PERF proportionate share in the previous year was 0.0073668 and TRF-1996 was 0.0253327.

Deferred inflows or outflows of resources resulting from the differences between projected and actual investment earnings on Plan investments are amortized over a 5-year period. A change in an employer's proportionate share represents the change as of the current year measurement date versus the prior year measurement date and is amortized over the average expected remaining service lives of the plan. The difference between an employer's contributions and the employer's proportionate share of the collective contributions is amortized over the average expected remaining service lives of the plan.

At June 30, 2020, the School Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PERF		TRF 1996	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 640,598	$ -	$ 1,713,313	$ 4,816,321
Net Difference Between Projected and Actual Investments Earnings on Pension Plan Investments	-	1,143,498	-	2,318,205
Change of Assumptions	5,386	2,629,857	5,003,194	9,623,365
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	49,841	229,961	2,506,828	6,699,505
	695,825	4,003,316	9,223,335	23,457,396
Contributions Subsequent to the Measurment Date	4,596,977	-	5,544,876	-
Total	$ 5,292,802	$ 4,003,316	$ 14,768,211	$ 23,457,396

NOTE 10 - PENSION PLANS (Continued)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year	PERF	TRF 1996
2020	$ (991,910)	$ (1,096,857)
2021	(1,798,513)	(2,432,163)
2022	(428,282)	(2,112,498)
2023	(88,786)	(1,377,568)
2024	-	(1,175,220)
Thereafter	-	(6,039,755)
	$ (3,307,491)	$ (14,234,061)

The long-term return expectation for the defined benefit retirement plans has been determined by using a building-block approach and assumes a time horizon, as defined in the INPRS Investment Policy Statement. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating a weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. The target allocation and best estimates of geometric real rates of return for each major asset class is summarized in the following table. The real rates of return are the same for all three pension plans.

	Geometric Basis at June 30, 2020	
	Long Term Expected Rate of Return	Target Asset Allocation
Public Equity	4.9%	22.0%
Private Equity	7.0%	14.0%
Fixed Income - Ex Inflation-Linked	2.5%	20.0%
Fixed Income - Inflation-Linked	1.3%	7.0%
Commodities	2.0%	8.0%
Real Estate	6.7%	7.0%
Absolute Return	2.9%	10.0%
Risk Parity	5.3%	12.0%

Significant Actuarial Assumptions: The total pension liability is determined by INPRS actuaries in accordance with GASB No. 67, as part of their annual actuarial valuation for each defined benefit retirement plan. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts (e.g., salaries, credited service) and assumptions about the probability of occurrence of events far into the future (e.g., mortality, disabilities, retirements, employment terminations). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

NOTE 10 - PENSION PLANS (Continued)

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

Description	PERF	TRF 1996 Account
Valuation Date: Assets	June 30, 2019	
Liabilities	June 30, 2019	
Actuarial Cost Method (Accounting)	Entry Age Normal - Level Percent of Payroll	
Actuarial Assumptions:		
Experience Study Date	Period of 4 years ended June 30, 2014	Period of 3 years of June 30, 2014
Investment Rate of Return (Accounting)	6.75%	
Cost of Living Increases (COLA) or "Ad Hoc" COLA	2020-2021 - 13th check 2022 - 0.4% 2034 - 0.5% 2039 0.6%	
Future Salary Increases, including Inflation	2.5%-4.25%	2.5%-12.5%
Inflation	2.25%	
Mortality-Healthy	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2014	
Mortality-Disabled	RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2014	

Discount Rate: Total pension liability for each defined benefit pension plan was calculated using the discount rates described in the sensitivity table below. The discount rate utilized in the TRF pre-1996 account was 6.75%. The projection of cash flows used to determine the discount rate assumed the contributions from employers and where applicable from the members, would at the minimum be made at the actuarially determined required rates computed in accordance with the current funding policy adopted by the INPRS Board, and contributions required by the State (the non-employer contributing entity) would be made as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (6.75% percent for 2020). Based on those assumptions, each defined benefit pension plan's fiduciary net position were projected to be available to make all projected future benefit payments of current plan members; therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability for each plan.

NOTE 10 - PENSION PLANS (Continued)

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

Pre-Funded Defined Benefit

PERF			TRF 1996		
1% Decrease (5.75)%	Current Discount Rate (6.75)%	1% Increase (7.75)%	1% Decrease (5.75)%	Current Discount Rate (6.75)%	1% Increase (7.75)%
$ 38,852,791	$ 24,192,075	$ 11,963,915	$ 25,928,218	$ (4,235,230)	$ (28,667,101)

Investment Valuation and Benefit Payment Policies: The following information applies for the 2020 reporting year.

- The pooled and non-pooled investments are reported at fair value by INPRS. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- Short-term investments consist primarily of cash, money market funds, certificates of deposits and fixed income instruments with maturities of less than one year. Short-term investments are reported at cost, which approximates fair value or, for fixed income instruments, valued using similar methodologies as other fixed income securities described below.
- Fixed income securities consist primarily of the U.S. government, U.S. government-sponsored agencies, publicly traded debt and commingled investment debt instruments. Equity securities consist primarily of domestic and international stocks in addition to commingled equity instruments. Fixed income and equity securities are generally valued based on published market prices and quotations from national security exchanges and securities pricing services. Securities that are not traded on a national security exchange are valued using modeling techniques that include market observable inputs required to develop a fair value. Commingled funds are valued using the net asset value (NAV) of the entity.
- Additionally, valuation techniques will vary by investment type and involve a certain degree of expert judgment. Alternative investments, such as investments in private equity or real estate, are generally considered to be illiquid long-term investments. Due to the inherent uncertainty that exists in the valuation of alternative investments, the realized value upon the sale of an asset may differ from the fair value.
- Derivative instruments are marked to market daily with changes in fair value recognized as part of investments and investment income.
- Pension, disability, special death benefits, and distributions of contributions and interest are recognized when due and payable to members or beneficiaries. Benefits are paid once the retirement or survivor applications have been processed and approved. Distributions of contributions and interest are distributions from inactive, non-vested members' ASAs. These distributions may be requested by members or auto-distributed by the fund when certain criteria are met.

NOTE 11 - DEFINED CONTRIBUTION PLANS

Fort Wayne Community Schools 403(b) Plan: The School Corporation administers a 403(b)-retirement plan for all employees to participate in and defer income on a pre-tax or Roth after-tax basis. The Plan operates on a calendar year. The School Corporation is the Plan Administrator and there are three approved vendors (MetLife, AIG Retirement Services (VALIC), and Lincoln Financial) for employees to select. Information regarding the benefits can be obtained by contacting the School Corporation who has the authority under which benefits, and contribution requirements are established or can be amended. The School Corporation does not make employer contributions to the plan

Fort Wayne Community Schools 401(a) Matching Plan - 003 (Teachers). The School Corporation provides a 401(a) plan account for teachers who were employed from 2004 to 2011 and were deferring wages to the School Corporation's 403(b) plan. The School Corporation matched their optional 403(b) deferral amount each fiscal year up to a maximum. No employer contributions have been made to the Plan since 2011 when the matching program was discontinued. Employees vest in the plan after signing six regular teacher contracts with the School Corporation and withdraws may be made upon termination of employment. Forfeited accounts were used to offset employer contributions to the plan. The School Corporation is the Plan Administrator and MetLife is the vendor. Information regarding the benefits can be obtained by contacting the School Corporation who has the authority under which benefits, and contribution requirements are established or can be amended.

Fort Wayne Community Schools Administrative and Classified 401(a) Plan – 002 (Match Plan). The School Corporation provides a 401(a) plan account for administrators and other classified employees who were employed from 2004 to 2011 and were deferring wages to the School Corporation's 403(b) plan. The School Corporation matched their optional 403(b) deferral amount each fiscal year up to a maximum. No employer contributions have been made to the Plan since 2011 when the matching program was discontinued. Employees vest in the plan by completing five years of continuous service with the School Corporation in a PERF or TRF covered position and withdraws may be made upon termination of employment. Forfeited accounts were used to offset employer contributions to the plan. The School Corporation is the Plan Administrator and AIG Retirement Services is the vendor. Information regarding the benefits can be obtained by contacting the School Corporation who has the authority under which benefits, and contribution requirements are established or can be amended.

Fort Wayne Community Schools Administrative and Classified 401(a) Plan - 003 (Buyout Plan). The School Corporation provides a 401(a) plan account for administrators and other classified employees employed before July 1, 2003 and who qualified for a retirement severance benefit. The School Corporation bought out the retirement severance benefit by making a one-time employer contribution to 401(a) accounts for qualifying employees. Since the initial employer buyout contribution in 2004, the School Corporation has made no additional contributions to the Plan. Employees vest in the plan by retiring from the School Corporation upon meeting the minimum retirement criteria for TRF or PERF. Forfeited accounts are redistributed to the remaining participants in the Plan. The School Corporation is the Plan Administrator and AIG Retirement Services is the vendor. Information regarding the benefits can be obtained by contacting the School Corporation who has the authority under which benefits, and contribution requirements are established or can be amended.

NOTE 11 - DEFINED CONTRIBUTION PLANS (Continued)

Fort Wayne Community Schools 401(a) Buyout Plan - 002 (Teachers). The School Corporation provides a 401(a) plan account for teachers employed before July 1, 2003 and who qualified for a retirement severance benefit. The School Corporation bought out the retirement severance benefit by making a one-time employer contribution to 401(a) accounts for qualifying employees. Since the initial employer buyout contribution in 2004, the School Corporation has made no additional contributions to the Plan. Employees vest in the plan by retiring from the School Corporation upon meeting the minimum retirement criteria for TRF. Forfeited accounts are redistributed to the remaining participants in the Plan. The School Corporation is the Plan Administrator and MetLife is the vendor. Information regarding the benefits can be obtained by contacting the School Corporation who has the authority under which benefits, and contribution requirements are established or can be amended.

State of Indiana – VEBA Health Reimbursement Arrangement "HRA" Plan. The School Corporation provides a VEBA (voluntary employees' beneficiary association) plan account for teachers, administrators, and other classified employees employed before July 1, 2003 and who qualified for a retirement severance benefit. The School Corporation bought out the retirement severance benefit by making a one-time employer contribution to VEBA accounts for qualifying employees. Since the initial employer buyout contribution in 2004, the School Corporation has made no additional contributions to the Plan. Employees vest in the plan by retiring from the School Corporation upon meeting the minimum retirement criteria for TRF or PERF, attaining the age of 55, and having 15 years of service with the School Corporation. Forfeited accounts are redistributed to the remaining participants in the Plan. HRA Administrator, LLC is the Plan Administrator. Information regarding the benefits can be obtained by contacting the School Corporation who has the authority under which benefits, and contribution requirements are established or can be amended.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

Fort Wayne Community Schools Retiree Health Insurance Benefits

Plan Description: The Plan allows for any full-time employee who reaches 55 years of age on or before his or her retirement date but who will not be eligible on that date for Medicare coverage, and who will have completed 15 years of creditable employment with the School Corporation is eligible to continue coverage until eligible for Medicare. On the June 30, 2020 measurement date, the Plan contained 2,827 active employees with coverage and 57 retirees (39 Core Plan and 18 HDHP).

The Plan is considered a single-employer defined benefit plan and there are no assets accumulated in a trust to fund the plan. The School Corporation is the entity that is responsible for administering the Plan, making decisions on the type and amount of benefits provided, paying OPEB benefits as they become due, and determining employer and employee contribution amounts. As applicable, collective bargaining agreements with employees may contain specific commitments related to benefits and contributions for the term of the agreement.

Benefits Provided: Retirees can continue coverage in the Core Plan or High Deducible Plan. It is assumed that future retirees will elect the same medical plan as their current elections except for employees currently electing the Buy-Up Plan, whereupon the assumption is that they will elect the Core Plan in retirement.

Surviving spouses of retirees may remain on the health plan at his / her own expense until Medicare eligibility. Surviving spouses of active employees may remain on the health plan at his / her own expense until COBRA eligibility ends.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Contributions: The health plan is self-insured. Retirees are responsible for the full cost of coverage. There are no explicit subsidies provided. Annual premium equivalent rates and implicit subsidy effective January 1, 2020 are as shown below.

Plan	**Employee**		**Employee and Spouse**	
Core Plan	$	10,620	$	23,940
HDHP/HAS	$	9,432	$	21,258
Implicit Subsidy - Core Plan	$	8,680	$	12,360

The implicit subsidy is an estimated annual cost for a male retiree aged 60, with spouse of the same age, covered under the Core Plan.

Total OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

The Total OPEB liability measured at June 30, 2020 (measurement date) is as follows:

		Total OPEB Liability
Balance at July 1, 2019	$	9,557,138
Service cost		593,699
Interest		350,721
Changes in assumptions		702,126
Benefit payments		(320,307)
Net change in total OPEB liability		1,326,239
Balance at June 30, 2020	$	10,883,377

Activity during the year included the following:

		Plan Fiduciary Net Position
Balance at July 1, 2019	$	-
Employer contributions		320,307
Benefit payments		(320,307)
Net change in fiduciary net position		-
Balance at June 30, 2020	$	-

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB expense for the year ended June 30, 2020 is as follows:

Expense Category:		**Amount**
Service cost	$	593,699
Interest		350,721
Current period recognition of deferred outflows/(inflows) of resources:		
Changes in assumptions		78,014
Total OPEB Expense	$	1,022,434

Deferred outflows and inflows of resources for the year ended June 30, 2020 is as follows:

As of fiscal year ended June 30, 2020		Deferred Outflows of Resources		Deferred Inflows of Resources
Changes in assumptions	$	624,112	$	-
				-
Total	$	624,112	$	-

Amortization of deferred outflows/(inflows) of resources are as follows:

Fiscal Year		Amortization of Deferred Outflows / (Inflows)
2021	$	78,014
2022		78,014
2023		78,014
2024		78,014
2025		78,014
Thereafter		234,042
	$	624,112

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions:

Description	OPEB Plan
Measurement Date	June 30, 2020
Actuarial Valuation Date	June 30, 2020 with no adjustments to get to the June 30, 2020 measurement date. Liabilities as of July 1, 2019 are based on an actuarial valuation date of June 30, 2020 actuarially rolled back to July 1, 2019 on a “no loss / no gain” basis. based on an actuarial valuation date of July 1, 2019 actuarially rolled back to July 1, 2018 on a “no loss / no gain” basis.
Discount Rate	2.66% as of June 30, 2020 and 3.51% as of July 1, 2019 for accounting disclosure purposes.
Payroll Growth	Payroll growth rates for general and teacher employees include a general wage inflation of 2.25%. Merit increases shown below (excluding wage inflation) for general employees are based on the most recent Indiana Public Retirement System Public Employees’ Retirement Fund actuarial valuation as of June 30, 2019. Merit increases for Teacher and Administrator employees are based on the most recent Indiana Public Retirement System Teachers’ Retirement Fund 1996 actuarial valuation as of June 30, 2019.
Inflation Rate	2.25% per year
Employer Funding Policy	Pay-as-you-go cash basis
Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: - Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant’s benefit at retirement; and - Annual Service Cost is a constant percentage of the participant’s salary that is assumed to increase according to the Payroll Growth.
Health Care Coverage Election Rate	Active employees with current coverage: 30% Active employees with no coverage: 0% Inactive employees with current coverage: 100% Inactive employees with no coverage: 0%
Subsidy Election Rate	Retirees are responsible for the full cost of coverage.
Spousal Coverage	Actual spousal coverage is used for current retirees. For active employees, husbands are assumed to be three years older than wives. Active employees are assumed to elect spousal coverage in retirement based on if they are currently electing coverage.
Mortality	Teachers: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP- 2019 Administrators: SOA Pub-2010 General 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
Disability	None
Turnover Rate	Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. Annual withdrawal rates for general employees follow the Public Employees Retirement Fund (PERF) as of June 30, 2019 (for employees with earnings of at least $20,000). Teacher withdrawal rates are based on the Teachers’ Retirement Fund 1996 actuarial valuation as of June 30, 2019.
Retirement Rate	General employee retirement rates are based on those used in the Public Employees Retirement Fund (PERF) actuarial valuation as of June 30, 2019. Teacher and Administrator retirement rates are based on the Teachers’ Retirement Fund 1996 actuarial valuation as of June 30, 2019.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity: The following presents the Total OPEB liability as of June 30, 2020, calculated using the discount rate assumed and what it would be using a 1% higher and 1% lower discount rate.

Discount Rate Sensitivity -
Liability at June 30, 2020

OPEB Liability		
1% Decrease (1.66)%	Current Discount Rate (2.66)%	1% Increase (3.66)%
$ 11,755,290	$ 10,883,377	$ 10,061,289

The following presents the Total OPEB liability as of June 30, 2020, using the health care trend rates assumed and what it would be using 1% higher and 1% lower health care trend rates.

Health Care Trend Rate Sensitivity -
Liability at June 30, 2020

OPEB Liability		
1% Decrease (7.00)%	Current Rate (8.00)%	1% Increase (9.00)%
$ 9,661,662	$ 10,883,377	$ 12,322,939

NOTE 13 – SUBSEQUENT EVENTS

In November 2020, the School Corporation issued $20,615,000 of Unlimited Ad Valorem Property Tax First Mortgage Bonds, Series 2020. The bonds mature in January 2040 and will be used to purchase real estate and fund various restoration projects.

Early in 2020, a novel strain of coronavirus, SARS-CoV-2, and the resulting disease, COVID-19, spread throughout the United States and impacted the School Corporation's operations. In March 2020, the School Corporation shut down in person learning and reverted to all virtual learning.

As of the date of this report, the pandemic is still ongoing, and the School Corporation is continually adapting and evaluating its effects. The 2020-2021 school year started with a hybrid of classroom and virtual instruction for students. The financial impact of the pandemic includes less State tuition support revenue for the 2020-2021 school year due to a 3.5% decline in enrollment and an increase in expenditures of technology, equipment, supplies, and services. The School Corporation has received approval for grants which will largely absorb the increase in expenditures; however, the full effect of the pandemic will depend on future developments.

FORT WAYNE COMMUNITY SCHOOLS
Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
June 30, 2020

	PERF					
	2020	2019	2018	2017	2016	2015
School Corporation's proportion of the net pension liability	$ 24,192,075	$ 25,025,353	$ 32,876,668	$ 33,955,734	$ 30,555,726	$ 22,471,473
School Corporation's proportionate share of the net pension liability	0.0073197	0.0073668	0.0073689	0.0074818	0.0075022	0.0085510
School Corporation's covered payroll	$ 38,136,280	$ 37,589,910	$ 36,558,410	$ 35,857,299	$ 35,933,955	$ 41,748,643
School Corporation's proportionate share of the net pension liability as a percentage of its covered payroll	63%	67%	90%	95%	85%	54%
Plan fiduciary net position as a percentage of the total pension liability	80%	79%	77%	75%	77%	84%

	TRF					
	2020	2019	2018	2017	2016	2015
School Corporation's proportion of the net pension liability (asset)	$ (4,235,230)	$ 2,809,700	$ 19,776,174	$ 24,343,182	$ 16,404,379	$ 1,483,772
School Corporation's proportionate share of the net pension liability	0.0294811	0.0253327	0.0298645	0.0311884	0.0311528	0.0312039
School Corporation's covered payroll	$ 96,112,748	$ 79,607,962	$ 90,173,983	$ 89,834,233	$ 85,383,893	$ 80,753,213
School Corporation's proportionate share of the net pension liability as a percentage of its covered payroll	-4%	4%	22%	27%	19%	2%
Plan fiduciary net position as a percentage of the total pension liability	102%	98%	90%	88%	91%	99%

Changes of assumptions: An assumption study was performed in April of 2015 resulting in an update to the following assumptions:
o Inflation decreased from 3.0% to 2.25%
o The future salary increase rate decreased from a table ranging from 3.25% to 4.5% to a table ranging from 2.5% to 4.25%
o Mortality changed from the 2013 IRS Static Mortality projected five (5) years with Scale AA to the RP-2014 (with MP-2014 improvement removed) Total Data Set mortality table projected on a fully generational basis using the future mortality improvement scale inherent in the mortality projection included in the Social Security Administration's 2014 Trustee Report
o Retirement, Termination and Disability rates were adjusted to reflect recent experience
o The ASA Annuitization was updated from 50% of members assumed to annuitize the ASA balance to 60% of members prior to January 1, 2017.

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Corporation is presenting information for those years for which information is available.

Measurement date: Due to the timing of the availability of actuary reports, each fiscal year's net pension liability is reported with a measurement date from the prior plan fiscal year. For example, the net pension liability reported as of June 30, 2020 is measured at June 30, 2019.

Benefit changes: There were no changes to the plan that impacted pension benefits during the fiscal year.

Plan amendments. There were no changes to the plan that impacted pension benefits during the fiscal year.

FORT WAYNE COMMUNITY SCHOOLS
Required Supplementary Information
Schedule of Contributions - Pension
June 30, 2020

	PERF					
	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 4,596,977	$ 4,138,750	$ 4,295,029	$ 4,150,360	$ 3,900,252	$ 4,016,958
Contributions in relation to the statutorily required contribution	4,596,977	4,138,750	4,295,029	4,150,360	3,900,252	4,016,958
Annual contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
The School Corporation's contributions as a percentage of statutorily required contribution for pension	100%	100%	100%	100%	100%	100%
School Corporation's covered payroll	$ 41,296,329	$ 38,136,280	$ 37,589,910	$ 36,558,410	$ 35,857,299	$ 35,933,955
Contributions as a percentage of covered payroll	11.1%	10.9%	11.4%	11.4%	10.9%	11.2%

	TRF					
	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 5,544,876	$ 6,169,243	$ 7,026,230	$ 6,804,048	$ 6,695,548	$ 6,411,243
Contributions in relation to the statutorily required contribution	5,544,876	6,169,243	7,026,230	6,804,048	6,695,548	6,411,243
	$ -	$ -	$ -	$ -	$ -	$ -
The School Corporation's contributions as a percentage of statutorily required contribution for pension	100%	100%	100%	100%	100%	100%
School Corporation's covered payroll	$ 98,712,670	$ 96,112,748	$ 79,607,962	$ 90,173,983	$ 89,834,233	$ 85,383,893
Contributions as a percentage of covered payroll	5.6%	6.4%	8.8%	7.5%	7.5%	7.5%

TRF Pre-1996 Contributions - Special Funding Situation:
Contributions made by the State of Indiana for actuarial years June 30, 2019 and June 30, 2018 was $31,123,026 and approximately $28,800,000, respectively.

Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Corporation is presenting information for those years for which information is available.

Valuation date: Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial cost method: Entry age normal (Level Percent of Payroll)
Amortization method: Level dollar
Remaining amortization period: 22.5 years, closed - PRF
Remaining amortization period: 30 years, closed - TRF
Asset valuation method: 5 year smoothing of gains and losses on the market value of assets subject to a 20% corridor.
Inflation: 2.25%
Salary increases: .25% - 2%
Investment rate of return: 6.75%
Mortality: RP-2014 Total Data Set Mortality Table, with Social Security Administration generational improvement scale from 2014
Other information:

The INPRS Board sets, at its discretion, the State's employer contribution rate upon considering the results of the actuarial valuation and other analysis as appropriate. The actuarially determined contribution rate for the State for the fiscal year ended 6/30/19 was 8.51% and 4.44% for PRF and TRF, respectively. However, the INPRS Board approved a State employer contribution rate of 11.2% and 5.5% for PRF and TRF, respectively.. The actual dollar amount of the State's contributions depends on the actual payroll for the fiscal year.

FORT WAYNE COMMUNITY SCHOOLS
Required Supplementary Information
Schedule of Employer's Share of Nonemployer Contributing Entity Contributions
Pre-96 Teachers Retirement Fund
June 30, 2020

Year Ended **	Employer Share of Nonemployer Contributing Entity Year Ended ** Contributions
June 30, 2019	$ 31,123,026
June 30, 2018	28,800,000

Notes:
* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School Corporation is presenting information for those years for which information is available.
** The data provided in the schedule is based as of the measurement date of INPRS (PERF) net pension liability

FORT WAYNE COMMUNITY SCHOOLS
Required Supplementary Information
Schedule of Changes in Total Other Postemployment Benefits Liability
June 30, 2020

Fiscal year ending June 30,			**2020**
Total OPEB liability;			
Service cost		$	593,699
Interest on the total OPEB liability			350,721
Changes of assumptions			702,126
Benefit payments, including refunds of employee contributions			(320,307)
Net change in total OPEB liability			1,326,239
	Total OPEB liability - beginning		9,557,138
	Total OPEB liability - ending	$	10,883,377
Plan fiduciary net position;			
Employer contributions		$	320,307
Benefit payments, including refunds of employee contributions			(320,307)
Net change in plan fiduciary net position			-
	Plan fiduciary net position - beginning		-
	Plan fiduciary net position - ending	$	-
	Total OPEB liability - ending	$	10,883,377
Plan fiduciary net position as a percentage of total OPEB liability			0.0%
Covered payroll		$	152,149,294
Total OPEB liability as a percentage of covered payroll			7.2%

Valuation date: June 30, 2020
Actuarial cost method: Entry age normal level % of salary method
Discount Rate: 2.66% for 2020 and 3.51% for 2019
Inflation: 2.25% per year
Salary increases: Payroll growth rates include a general wage inflation of 2.25%. Merit increases are based on the most recent PERF and TRF valuation for June 30, 2019
Mortality:
Teachers: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2019
Administrators: SOA Pub-2010 General 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

** This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the School District is presenting information for those years for which information is available.

FORT WAYNE COMMUNITY SCHOOLS
Required Supplementary Information
Major Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
For the Year ended June 30, 2020

	Operations Fund			
	Original Budget	**Final Budget**	**Actual**	**Variance from final budget over (under)**
Revenues				
Local sources	$ 56,694,834	$ 56,694,834	$ 55,316,412	$ (1,378,422)
Intermediate sources	-	-	216	216
Federal sources	150,000	150,000	-	(150,000)
Other revenues	-	-	62,544	62,544
Total revenues	56,844,834	56,844,834	55,379,172	(1,465,662)
Expenditures				
Support services	63,577,740	63,577,740	55,589,114	(7,988,626)
Operation of noninstructional services	337,486	337,486	419,050	81,564
Capital outlays	11,845,556	13,345,556	11,579,355	(1,766,201)
Nonprogrammed charges	770,000	770,000	555,244	(214,756)
Total expenditures	76,530,782	78,030,782	68,142,763	(9,888,019)
Excess (deficiency) of revenues over (under) expenditures	(19,685,948)	(21,185,948)	(12,763,591)	8,422,357
Other financing sources (uses)				
Transfers in - other fund closings	-	-	20,773,041	20,773,041
Transfers in	15,220,000	15,220,000	15,154,223	(65,777)
Total other financing sources (uses)	15,220,000	15,220,000	35,927,264	20,707,264
Net change in fund balances	$ (4,465,948)	$ (5,965,948)	23,163,673	$ 29,129,621
Fund balances at beginning of year			-	
Fund balances at end of year			$ 23,163,673	

The above schedule is prepared on a budgetary cash basis for the most recent calendar year end (2019) based on State of Indiana law.

See accompanying note to the required supplementary information.

FORT WAYNE COMMUNITY SCHOOLS
Required Supplementary Information
Major Special Revenue Funds
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual
For the Year ended June 30, 2020

	Education Fund			
	Original Budget	Final Budget	Actual	Variance from final budget over (under)
Revenues				
Local sources	$ 2,078,000	$ 2,078,000	$ 441,682	$ (1,636,318)
State sources	208,923,469	208,923,469	209,554,525	631,056
Total revenues	211,001,469	211,001,469	209,996,207	(1,005,262)
Expenditures				
Instruction	165,560,756	165,560,756	142,724,617	(22,836,139)
Support services	38,586,550	38,586,550	39,946,546	1,359,996
Operation of noninstructional services	1,425,349	1,425,349	785,454	(639,895)
Total expenditures	205,572,655	205,572,655	183,456,617	(22,116,038)
Excess (deficiency) of revenues over (under) expenditures	5,428,814	5,428,814	26,539,590	21,110,776
Other financing sources (uses)				
Transfers in - other fund closings	-	-	50,188,686	50,188,686
Transfers in	40,000	40,000	505,398	465,398
Transfers out	(15,000,000)	(15,000,000)	(15,582,777)	(582,777)
Total other financing sources (uses)	(14,960,000)	(14,960,000)	35,111,307	50,071,307
Net change in fund balances	$ (9,531,186)	$ (9,531,186)	61,650,897	$ 71,182,083
Fund balances at beginning of year			-	
Fund balances at end of year			$ 61,650,897	

The above schedule is prepared on a budgetary cash basis for the most recent calendar year end (2019) based on State of Indiana law.

See accompanying note to the required supplementary information.

NOTE 1 – BUDGETS AND BUDGETARY BASIS OF ACCOUNTING

Budgets are initially prepared and approved at the local level. The fiscal officer of the School Corporation submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

While the School Corporation reports on a June 30 year end under the economic resources measurement focus and the accrual basis of accounting, budgets are prepared on a cash basis for each calendar year end.

Budget to actual schedules of revenues, expenditures and changes in fund balances have been presented for each major special revenue fund.

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/

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