

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

FINANCIAL STATEMENTS
AUDIT REPORT OF

ALLEN COUNTY FORT WAYNE
CAPITAL IMPROVEMENTS BOARD OF MANAGERS
A COMPONENT UNIT OF THE CITY OF FORT WAYNE
ALLEN COUNTY, INDIANA

December 31, 2015 and 2014



FILED
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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Business Manager	Carole Copeland	01-01-14 to 12-31-16
Executive Director	Barton Shaw	01-01-14 to 12-31-16
Controller	Carolyn Warsco	01-01-14 to 12-31-16
Treasurer	Gilmore Haynie, Jr. (deceased) (Vacant) Yogesh S. Parikh	01-01-14 to 08-21-14 08-22-14 to 09-17-14 09-18-14 to 12-31-16
President of the Board of Managers	Nancy Jordan	01-01-14 to 12-31-16



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE ALLEN COUNTY FORT WAYNE CAPITAL IMPROVEMENTS
BOARD OF MANAGERS, ALLEN COUNTY, INDIANA

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Allen County Fort Wayne Capital Improvements Board of Managers (CIB), a component unit of the City of Fort Wayne, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the CIB's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity'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 CIB'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 business-type activities and each major fund of the CIB as of December 31, 2015 and 2014, and the respective changes in financial position and, where applicable, cash flows thereof and for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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 Government 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.


Paul D. Joyce, CPA
State Examiner

June 8, 2016

BASIC FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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

ALLEN COUNTY FORT WAYNE CAPITAL IMPROVEMENTS BOARD OF MANAGERS
STATEMENT OF NET POSITION
December 31, 2015 and 2014

	2015			2014		
	Grand Wayne Center	Food and Beverage Tax	Totals	Grand Wayne Center	Food and Beverage Tax	Totals
Assets						
Current assets:						
Cash and cash equivalents	\$ 4,209,551	\$ 509	\$ 4,210,060	\$ 3,795,505	\$ 508	\$ 3,796,013
Accounts receivable	99,135	-	99,135	77,273	-	77,273
Room tax receivable	271,111	-	271,111	410,035	-	410,035
Royalties receivable	94,003	-	94,003	76,412	-	76,412
Prepaid items	15,669	-	15,669	17,447	-	17,447
Total current assets	4,689,469	509	4,689,978	4,376,672	508	4,377,180
Noncurrent assets:						
Restricted assets:						
Due from Fort Wayne Redevelopment Commission	1,841,384	-	1,841,384	4,583,251	-	4,583,251
PSCDA reserve cash and cash equivalents	-	-	-	173,896	-	173,896
Food and beverage tax reserve cash and cash equivalents	-	8,638,486	8,638,486	-	7,367,821	7,367,821
Food and beverage tax receivable	-	4,841,539	4,841,539	-	3,922,930	3,922,930
Total restricted assets	1,841,384	13,480,025	15,321,409	4,757,147	11,290,751	16,047,898
Capital assets:						
Land	975,000	-	975,000	975,000	-	975,000
Other capital assets (net of accumulated depreciation)	36,436,073	-	36,436,073	37,053,981	-	37,053,981
Total capital assets	37,411,073	-	37,411,073	38,028,981	-	38,028,981
Total noncurrent assets	39,252,457	13,480,025	52,732,482	42,786,128	11,290,751	54,076,879
Total assets	43,941,926	13,480,534	57,422,460	47,162,800	11,291,259	58,454,059
Deferred outflows of resources	-	6,500,000	6,500,000	-	-	-
Liabilities						
Current liabilities:						
Accounts payable and other accrued expenses	107,472	-	107,472	129,377	-	129,377
Capital lease payable, current portion	1,330,000	-	1,330,000	1,287,500	-	1,287,500
Due to Visit Fort Wayne	77,460	-	77,460	117,153	-	117,153
Rental deposits	37,707	-	37,707	36,236	-	36,236
Pledge payable, current portion	-	650,000	650,000	-	-	-
Total current liabilities	1,552,639	650,000	2,202,639	1,570,266	-	1,570,266
Noncurrent liabilities:						
Capital lease payable	18,932,500	-	18,932,500	20,262,500	-	20,262,500
Pledge payable	-	5,850,000	5,850,000	-	-	-
Total liabilities	20,485,139	6,500,000	26,985,139	21,832,766	-	21,832,766
Net position						
Net investment in capital assets	17,148,573	-	17,148,573	16,478,981	-	16,478,981
Restricted for debt service	1,841,384	-	1,841,384	4,583,251	-	4,583,251
Restricted for PSCDA reserve	-	-	-	173,896	-	173,896
Restricted for food and beverage tax reserve	-	13,480,534	13,480,534	-	11,291,259	11,291,259
Unrestricted	4,466,830	-	4,466,830	4,093,906	-	4,093,906
Total net position	\$ 23,456,787	\$ 13,480,534	\$ 36,937,321	\$ 25,330,034	\$ 11,291,259	\$ 36,621,293

The notes to the financial statements are an integral part of this statement.

ALLEN COUNTY FORT WAYNE CAPITAL IMPROVEMENTS BOARD OF MANAGERS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
As Of And For The Years Ended December 31, 2015 And 2014

	2015			2014		
	Grand Wayne Center	Food and Beverage Tax	Totals	Grand Wayne Center	Food and Beverage Tax	Totals
Operating revenues:						
Rental income	\$ 972,370	\$ -	\$ 972,370	\$ 989,236	\$ -	\$ 989,236
Royalties	521,640	-	521,640	547,935	-	547,935
Supplemental food and beverage tax	-	4,841,539	4,841,539	-	3,922,930	3,922,930
Other	9,669	-	9,669	12,892	-	12,892
Total operating revenues	1,503,679	4,841,539	6,345,218	1,550,063	3,922,930	5,472,993
Operating expenses:						
Salaries and wages	1,498,399	-	1,498,399	1,475,742	-	1,475,742
Employee pensions and benefits	517,594	-	517,594	513,497	-	513,497
Materials and supplies	160,734	-	160,734	129,487	-	129,487
Utilities and telephone	517,508	237	517,745	634,126	237	634,363
Advertising and promotion	263,323	288	263,611	228,024	288	228,312
Repairs and maintenance	285,679	-	285,679	314,385	-	314,385
Professional services	78,967	8,285	87,252	108,075	8,897	116,972
Insurance expense	78,747	-	78,747	85,503	-	85,503
Depreciation	1,135,858	-	1,135,858	1,216,617	-	1,216,617
Miscellaneous expenses	29,342	847	30,189	22,390	2	22,392
Total operating expenses	4,566,151	9,657	4,575,808	4,727,846	9,424	4,737,270
Operating income (loss)	(3,062,472)	4,831,882	1,769,410	(3,177,783)	3,913,506	735,723
Nonoperating revenues (expenses):						
Interest revenue	23,146	18,113	41,259	17,554	22,058	39,612
Indiana room tax	3,471,590	-	3,471,590	3,162,617	-	3,162,617
PSCDA and other revenue	400,000	-	400,000	400,000	-	400,000
Grants to other organizations	-	(160,720)	(160,720)	-	-	-
Interest expense	(902,000)	-	(902,000)	(939,500)	-	(939,500)
Total nonoperating revenues (expenses)	2,992,736	(142,607)	2,850,129	2,640,671	22,058	2,662,729
Income (loss) before transfers	(69,736)	4,689,275	4,619,539	(537,112)	3,935,564	3,398,452
Transfer from						
City of Fort Wayne, TIF	1,434,575	-	1,434,575	1,434,575	-	1,434,575
City of Fort Wayne, PSCDA	-	-	-	-	-	-
City of Fort Wayne, other	261,914	-	261,914	379,869	-	379,869
Transfer to City of Fort Wayne Redevelopment Commission	(3,500,000)	(2,500,000)	(6,000,000)	(250,000)	(4,000,000)	(4,250,000)
Change in net position	(1,873,247)	2,189,275	316,028	1,027,332	(64,436)	962,896
Total net position - beginning	25,330,034	11,291,259	36,621,293	24,302,702	11,355,695	35,658,397
Total net position - ending	\$ 23,456,787	\$ 13,480,534	\$ 36,937,321	\$ 25,330,034	\$ 11,291,259	\$ 36,621,293

The notes to the financial statements are an integral part of this statement.

ALLEN COUNTY FORT WAYNE CAPITAL IMPROVEMENTS BOARD OF MANAGERS
STATEMENT OF CASH FLOWS
As Of And For The Years Ended December 31, 2015 And 2014

	2015			2014		
	Grand Wayne Center	Food and Beverage Tax	Totals	Grand Wayne Center	Food and Beverage Tax	Totals
Cash flows from operating activities:						
Receipts from customers and users	\$ 951,979	\$ -	\$ 951,979	\$ 1,002,551	\$ -	\$ 1,002,551
Receipts from royalties	504,049	-	504,049	551,638	-	551,638
Payments to suppliers and contractors	(1,434,427)	(9,657)	(1,444,084)	(1,515,930)	(9,424)	(1,525,354)
Payments to employees	(2,015,993)	-	(2,015,993)	(1,989,239)	-	(1,989,239)
Supplemental food and beverage tax receipts	-	3,922,930	3,922,930	-	3,812,052	3,812,052
Other receipts	9,669	-	9,669	12,891	-	12,891
Net cash provided (used) by operating activities	(1,984,723)	3,913,273	1,928,550	(1,938,089)	3,802,628	1,864,539
Cash flows from noncapital financing activities:						
Indiana room tax receipts	3,610,514	-	3,610,514	3,051,752	-	3,051,752
PSCDA tax receipts	400,000	-	400,000	400,000	-	400,000
Payments to Visit Fort Wayne	(39,693)	-	(39,693)	31,676	-	31,676
Payments to Fort Wayne Redevelopment Commission	(3,500,000)	(2,500,000)	(6,000,000)	(250,000)	(4,000,000)	(4,250,000)
Grants to other organizations	-	(160,720)	(160,720)	-	-	-
Net cash provided (used) by noncapital financing activities	470,821	(2,660,720)	(2,189,899)	3,233,428	(4,000,000)	(766,572)
Cash flows from capital and related financing activities:						
Net activity with Fort Wayne Redevelopment Commission for capital debt	2,741,867	-	2,741,867	(627,899)	-	(627,899)
Transfers from City of Fort Wayne	1,696,489	-	1,696,489	1,814,444	-	1,814,444
Acquisition and construction of capital assets	(517,950)	-	(517,950)	(126,000)	-	(126,000)
Principal paid on capital debt	(1,287,500)	-	(1,287,500)	(1,250,000)	-	(1,250,000)
Interest paid on capital debt	(902,000)	-	(902,000)	(939,500)	-	(939,500)
Net cash (provided) by capital and related financing activities	1,730,906	-	1,730,906	(1,128,955)	-	(1,128,955)
Cash flows from investing activities:						
Interest received	23,146	18,113	41,259	17,554	22,058	39,612
Net cash provided by investing activities	23,146	18,113	41,259	17,554	22,058	39,612
Net increase (decrease) in cash and cash equivalents	240,150	1,270,666	1,510,816	183,938	(175,314)	8,624
Cash and cash equivalents, January 1	3,969,401	7,368,329	11,337,730	3,785,463	7,543,643	11,329,106
Cash and cash equivalents, December 31	\$ 4,209,551	\$ 8,638,995	\$ 12,848,546	\$ 3,969,401	\$ 7,368,329	\$ 11,337,730
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (3,062,472)	\$ 4,831,882	\$ 1,769,410	\$ (3,177,783)	\$ 3,913,506	\$ 735,723
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	1,135,858	-	1,135,858	1,216,617	-	1,216,617
(Increase) decrease in assets:						
Accounts receivable	(21,862)	-	(21,862)	13,862	-	13,862
Royalties receivable	(17,591)	-	(17,591)	3,703	-	3,703
Prepaid items	1,778	-	1,778	5,459	-	5,459
Food and beverage tax receivable	-	(918,609)	(918,609)	-	(110,878)	(110,878)
Increase (decrease) in liabilities:						
Accounts payable and other accrued expenses	(21,905)	-	(21,905)	600	-	600
Rental deposits payable	1,471	-	1,471	(547)	-	(547)
Total adjustments	1,077,749	(918,609)	159,140	1,239,694	(110,878)	1,128,816
Net cash provided (used) by operating activities	\$ (1,984,723)	\$ 3,913,273	\$ 1,928,550	\$ (1,938,089)	\$ 3,802,628	\$ 1,864,539

The notes to the financial statements are an integral part of this statement.

ALLEN COUNTY FORT WAYNE CAPITAL IMPROVEMENTS BOARD OF MANAGERS
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Allen County Fort Wayne Capital Improvements Board of Managers (CIB) was created and is in existence pursuant to the laws of the State of Indiana. The statutory provisions under which the CIB operates and conducts its business specifically state the nature and type of transactions that can be entered into by the CIB. The CIB operates the Grand Wayne Center convention facility. It is also authorized to enter into capital improvement projects funded by supplemental food and beverage tax revenues.

The CIB is a component unit of the City of Fort Wayne and is included as such in the City's Comprehensive Annual Financial Report. A seven-member board governs the CIB. The City and County each appoint three members, and the appointed members elect the seventh member. The CIB's budget is subject to approval by the City and County Councils. Any resolutions for the sale of revenue bonds are subject to review by the Mayor. All sales of general obligation bonds are subject to the approval by the City Council.

The accompanying financial statements present the activities of the CIB. There are no significant component units which require inclusion.

B. Fund Financial Statements

The CIB's financial statements consist of the Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. The CIB relies to a significant extent on fees and charges for support.

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

The accounts of the CIB are maintained and the financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. The CIB financial statements include the following major enterprise funds: Grand Wayne Center (GWC) and Food and Beverage Tax (FBT).

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

ALLEN COUNTY FORT WAYNE CAPITAL IMPROVEMENTS BOARD OF MANAGERS
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Assets, Liabilities and Net Position or Equity

1. Deposits and Investments

The CIB'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 CIB 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.

2. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

3. Restricted Asset/Net Position

Certain assets are classified as restricted assets on the Statement of Net Position because their use is limited by enabling legislation.

As of December 31, 2015, the financial statements report \$1,841,384 and \$13,480,534 for the GWC and FBT funds, respectively, of restricted net position, all of which is restricted by enabling legislation.

As of December 31, 2014, the financial statements report \$4,757,147 and \$11,291,259 for the GWC and FBT funds, respectively, of restricted net position, all of which is restricted by enabling legislation.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

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

ALLEN COUNTY FORT WAYNE CAPITAL IMPROVEMENTS BOARD OF MANAGERS
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Other Capital Assets:			
Buildings and improvements	\$ 1,000	Straight-line	5 to 50 years
Furniture, fixtures and equipment	1,000	Straight-line	3 to 15 years

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

5. Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods.

6. Compensated Absences

- a. Paid Time Off (PTO) – CIB employees earn PTO at the rate of 10 days per year. Unused PTO may be accumulated to a maximum of 90 days. Accumulated PTO is not paid to employees.
- b. Vacation Leave – CIB employees earn vacation leave at rates from 10 days to 25 days per year based upon the number of years of service. Employees may elect to carry up to 5 vacation days to the next year or to be reimbursed for unused vacation at the end of the year.

Vacation leave is accrued when incurred.

7. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

E. Innkeepers Tax and Supplemental Food and Beverage Tax Revenues

1. Innkeepers Tax Revenue

The Indiana Innkeepers (Room) Tax is levied on every person engaged in the business of renting lodgings for periods of less than 30 days. The County distributes 100% of this tax revenue to the CIB to be used for daily operations of the Grand Wayne Center and the Convention and Tourism Bureau.

2. Supplemental Food and Beverage Tax Revenue

Allen County levies a one percent Supplemental Food and Beverage Tax on all food and beverage sales in the county. Tax collections are used initially to fund annual debt service requirements on debt obligations for the Allen County War Memorial Coliseum entered into prior to January 1, 2009. Any tax collections in excess of these debt service requirements are distributed to the CIB by February 1 of the following year. After holding the funds for at least twelve months, the CIB may use them to undertake capital improvement projects throughout the county.

ALLEN COUNTY FORT WAYNE CAPITAL IMPROVEMENTS BOARD OF MANAGERS
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The CIB does not have a deposit policy for custodial credit risk.

At December 31, 2015 and 2014, the CIB had deposit balances in the amount of \$12,848,546 and \$11,337,730 respectively.

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.

B. Capital Assets

Capital asset activity for the years ended December 31, 2015 and 2014 was as follows:

<u>Grand Wayne Center</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<u>2015</u>				
Capital assets, not being depreciated:				
Land	\$ 975,000	\$ -	\$ -	\$ 975,000
Capital assets, being depreciated:				
Buildings and improvements	49,318,356	4,819	-	49,323,175
Furniture, fixtures and equipment	<u>3,629,662</u>	<u>513,131</u>	-	<u>4,142,793</u>
Totals	<u>52,948,018</u>	<u>517,950</u>	-	<u>53,465,968</u>
Less accumulated depreciation for:				
Buildings and improvements	(12,586,738)	(973,092)	-	(13,559,830)
Furniture, fixtures and equipment	<u>(3,307,299)</u>	<u>(162,766)</u>	-	<u>(3,470,065)</u>
Totals	<u>(15,894,037)</u>	<u>(1,135,858)</u>	-	<u>(17,029,895)</u>
Total capital assets, being depreciated, net	<u>37,053,981</u>	<u>(617,908)</u>	-	<u>36,436,073</u>
Total capital assets, net	<u>\$38,028,981</u>	<u>\$ (617,908)</u>	<u>\$ -</u>	<u>\$37,411,073</u>

ALLEN COUNTY FORT WAYNE CAPITAL IMPROVEMENTS BOARD OF MANAGERS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Grand Wayne Center	Beginning Balance	Additions	Reductions	Ending Balance
<u>2014</u>				
Capital assets, not being depreciated:				
Land	\$ 975,000	\$ -	\$ -	\$ 975,000
Capital assets, being depreciated:				
Buildings and improvements	49,272,746	45,610	-	49,318,356
Furniture, fixtures and equipment	3,549,272	80,390	-	3,629,662
Totals	52,822,018	126,000	-	52,948,018
Less accumulated depreciation for:				
Buildings and improvements	(11,502,494)	(1,084,244)	-	(12,586,738)
Furniture, fixtures and equipment	(3,174,926)	(132,373)	-	(3,307,299)
Totals	(14,677,420)	(1,216,617)	-	(15,894,037)
Total capital assets, being depreciated, net	38,144,598	(1,090,617)	-	37,053,981
Total capital assets, net	\$39,119,598	\$(1,090,617)	\$ -	\$ 38,028,981

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

	2015	2014
Grand Wayne Center	\$ 1,135,858	\$ 1,216,617

C. Capital Lease

On May 1, 2003, the Fort Wayne Redevelopment Authority (Authority) issued Lease Rental Revenue Bonds in the amount of \$31,985,000, at fixed rates ranging from 2.5 percent to 5.0 percent, for the expansion of the Grand Wayne Center (Project). On May 22, 2012, the Authority refinanced the remaining balance of the 2003 bonds by issuing Lease Rental Revenue Refunding bonds in the amount of \$25,135,000, at fixed rates ranging from 3.0 percent to 5.0 percent. The bonds are secured by the net revenue of the Center and property. The Authority owns the existing and expanded facilities and leases them back to the Fort Wayne Redevelopment Commission (Commission), who leases them to the CIB until the bonds mature on February 1, 2028. Since ownership of the Project assets will ultimately revert to the CIB, these assets and the corresponding capital lease obligation have been recorded on the Statement of Net Position of the CIB (GWC fund).

The primary lease agreement between the Authority and the Commission is funded by the following revenue sources: Grand Wayne Center primary pledge payments, a portion of the City of Fort Wayne's share of the County Economic Development Income Tax (CEDIT), tax increment financing (TIF) revenue, and Professional Sports and Convention Development Area (PSCDA) revenue. TIF and PSCDA revenue sources are based on annual revenue generated through TIF and PSCDA districts, whereas the Grand Wayne Center and CEDIT are pledges. Actual revenue for TIF and PSCDA could change depending on actual results. The Commission may also levy a property tax on all property in the City of Fort Wayne Development district in an amount sufficient to meet its lease obligation. Commitments at December 31, 2015, are as follows:

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	Grand Wayne Center	City of Fort Wayne CEDIT	TIF	PSCDA
2016	\$ 825,000	\$ 435,000	\$ 1,434,575	\$ 175,000
2017	825,000	435,000	1,434,575	175,000
2018	825,000	435,000	1,434,575	175,000
2019	825,000	435,000	1,434,575	175,000
2020	825,000	435,000	1,434,575	175,000
2021-2025	4,125,000	2,175,000	7,172,875	875,000
2026-2028	<u>2,475,000</u>	<u>1,305,000</u>	<u>4,303,725</u>	<u>525,000</u>
Total	<u>\$ 10,725,000</u>	<u>\$ 5,655,000</u>	<u>\$ 18,649,475</u>	<u>\$ 2,275,000</u>

The future payments on the CIB's lease obligation as of December 31, 2015, are as follows:

	Grand Wayne Center
2016	\$ 2,187,000
2017	2,189,000
2018	2,191,000
2019	2,190,500
2020	2,188,000
2021-2025	10,458,000
2026-2028	<u>5,128,500</u>
Total minimum lease payments	26,532,000
Less amount representing interest	<u>6,269,500</u>
Present value of net minimum lease payments	<u>\$ 20,262,500</u>

Assets acquired through capital leases still in effect are as follows:

	Grand Wayne Center
Land	\$ 975,000
Buildings and improvements	49,323,175
Furniture, fixtures and equipment	<u>4,142,793</u>
Totals	54,440,968
Accumulated depreciation	<u>(17,029,895)</u>
Totals	<u>\$ 37,411,073</u>

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(Continued)

D. Changes in Long-Term Liabilities

Long-term liability activity for the years ended December 31, 2015 and 2014, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>2015</u>					
Capital lease payable	<u>\$21,550,000</u>	<u>\$ -</u>	<u>\$ 1,287,500</u>	<u>\$20,262,500</u>	<u>\$ 1,330,000</u>
<u>2014</u>					
Capital lease payable	<u>\$22,800,000</u>	<u>\$ -</u>	<u>\$ 1,250,000</u>	<u>\$21,550,000</u>	<u>\$ 1,287,500</u>

E. Restricted Assets

The balances of restricted asset accounts in the enterprise funds are as follows:

	2015			2014		
	Grand Wayne Center	Food and Beverage Tax	Totals	Grand Wayne Center	Food and Beverage Tax	Totals
Due from Fort Wayne Redevelopment Commission	\$ 1,841,384	\$ -	\$ 1,841,384	\$ 4,583,251	\$ -	\$ 4,583,251
PSCDA reserve cash and cash equivalents	-	-	-	173,896	-	173,896
Food and beverage tax reserve cash and cash equivalents	-	8,638,486	8,638,486	-	7,367,821	7,367,821
Food and beverage tax receivable	-	4,841,539	4,841,539	-	3,922,930	3,922,930
Total restricted assets	<u>\$ 1,841,384</u>	<u>\$ 13,480,025</u>	<u>\$ 15,321,409</u>	<u>\$ 4,757,147</u>	<u>\$ 11,290,751</u>	<u>\$ 16,047,898</u>

F. Transfers to and from the City of Fort Wayne

The CIB typically uses transfers to and from the City of Fort Wayne to fund ongoing debt service subsidies that the City of Fort Wayne agreed to fund for renovation and expansion of the Grand Wayne Center.

III. Other Information

A. Risk Management

The CIB 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; 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.

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B. Pension Plan

Public Employees' Retirement Fund

Plan Description

The CIB contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is part of the Indiana Public Retirement System (INPRS) and is a cost sharing multiple-employer public employee retirement system, which provides retirement, disability, and survivor benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern through the INPRS Board, most requirements of the system and give the CIB authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and 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 may be obtained by contacting:

Indiana Public Retirement System
1 North Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

A complete on-line copy of the comprehensive financial report for INPRS is available at <http://www.inprs.in.gov/>.

Funding Policy

PERF members are required to contribute 3 percent of their annual covered salary. The CIB is required to contribute at an actuarially determined rate; the current rate is 11.2 percent of annual covered payroll. The contribution requirements of the plan members and the CIB are established and may be amended by the Board of Trustees of INPRS. The CIB contributions to PERF for the years ending December 31, 2015, 2014, and 2013 were \$150,173, \$147,262, and \$139,410 respectively, equal to the required contributions for each year.

The CIB's pension funding is combined with the City of Fort Wayne as one participating employer.

C. Pledge of Expected Future Food and Beverage Tax Revenues

The CIB approved a pledge for the sum of \$6,500,000, payable over a ten year period with annual payments of \$650,000, from its expected future revenues in the Food and Beverage Tax Fund. The pledged revenue will be used to pay the debt service on Lease Rental Revenue Bonds issued by the Fort Wayne Redevelopment Authority for the Ash Brokerage Project. The funds will be paid to the Redevelopment Commission upon a written request.

OTHER REPORTS

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