



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B60421

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

December 20, 2022

Board of Directors
Metropolitan School District of Wayne Township
1220 S. High School Road
Indianapolis, IN 46241

We have received the audit report of Metropolitan School District of Wayne Township, which was opined upon by Baker Tilly US, LLP, Independent Public Accountants, for the period July 1, 2020 to June 30, 2021. Per the *Independent Auditor's Report*, the financial statements present fairly the financial condition of Metropolitan School District of Wayne Township as of June 30, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**METROPOLITAN SCHOOL DISTRICT OF
WAYNE TOWNSHIP**

ANNUAL FINANCIAL REPORT

June 30, 2021

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

ANNUAL FINANCIAL REPORT
For the Year ended June 31, 2021

TABLE OF CONTENTS

<u>Description</u>	<u>Page(s)</u>
FINANCIAL SECTION	
Independent Auditor's Report	iii
Management's Discussion and Analysis	vi
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	1 – 2
Statement of Activities.....	3
Fund Financial Statements:	
Balance Sheet – Governmental Funds	4
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	4
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	6
Statement of Net Position – Proprietary Funds	7
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	8
Statement of Cash Flows – Proprietary Funds	9
Statement of Fiduciary Net Position – Fiduciary Funds.....	10
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	11
Index to Notes to Financial Statements.....	12
Notes to Financial Statements.....	13 – 59
Required Supplementary Information:	
Schedule of the School's Proportionate Share of the Net Pension Liability	
– Public Employee's Retirement Fund.....	60
– Teachers' Retirement Fund	61
Schedule of School Contributions:	
– Public Employee's Retirement Fund.....	62
– Teachers' Retirement Fund	63
Schedule of Changes in Net OPEB Liability.....	64
Schedule of Net OPEB Liability	65
Schedule of Employer Contributions - OPEB.....	66
Schedule of Employer's Share of Nonemployer Contributing Entity Contributions	
– Pre-96 TRF	67
Budgetary Comparison Schedules – Non-GAAP Basis:	
– Education Fund	68
– Operating Fund	69
– Referendum - 2015	70
– Referendum - 2019	71
Budget/GAAP Reconciliation.....	72
Notes to Required Supplementary Information	73 – 76

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

**ANNUAL FINANCIAL REPORT
For the Year ended June 31, 2021**

TABLE OF CONTENTS

<u>Description</u>	<u>Page(s)</u>
Supplementary Information:	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	77
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	78
Nonmajor Special Revenue Funds:	
Combining Balance Sheet – Nonmajor Special Revenue Funds	79 – 86
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Special Revenue Funds	87 – 94
Nonmajor Debt Service Funds:	
Combining Balance Sheet – Nonmajor Debt Service Funds	95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	96
Nonmajor Capital Projects Funds:	
Combining Balance Sheet – Nonmajor Capital Projects Funds	97
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds	98

Independent Auditors' Report

To the Audit Committee and Board of Education of
Metropolitan School District of Wayne Township

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 Metropolitan School District of Wayne Township, Indiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Metropolitan School District of Wayne Township'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.

Auditors' 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 auditors' 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 over financial reporting relevant to the Metropolitan School District of Wayne Township'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 Metropolitan School District of Wayne Township'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.

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 Metropolitan School District of Wayne Township, Indiana, as of June 30, 2021 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note III.H to the financial statements, net position and fund balance as of June 30, 2020 have been restated to correct a material misstatement. Our opinions are not modified with respect to this matter.

Other Matters

The financial statements of the Metropolitan School District of Wayne Township as of June 30, 2020, prior to restatement, were audited by other auditors whose report dated May 19, 2021 (except for the aggregate remaining fund information, for which the date was September 21, 2021), expressed unmodified opinions on those statements.

As part of the audit of the June 30, 2021 financial statements, we also audited the adjustments described in Note III.H that were applied to restate the June 30, 2020 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review or apply any procedures to the June 30, 2020 financial statements of the Metropolitan School District of Wayne Township other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the June 30, 2020 financial statements as a whole.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Metropolitan School District of Wayne Township's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 22, 2022 on our consideration of the Metropolitan School District of Wayne Township'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 Metropolitan School District of Wayne Township'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 Metropolitan School District of Wayne Township's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Indianapolis, Indiana
August 22, 2022

Metropolitan School District of Wayne Township

Management's Discussion and Analysis

As management of Metropolitan School District of Wayne Township, Indiana ("MSD Wayne Township"), we offer readers of MSD Wayne Township's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- Total assets and deferred outflows of MSD Wayne Township exceeded its total liabilities and deferred inflows by \$74,578 (reported as net position). Of this amount \$4,573 was reported as "unrestricted net position."
- As of the close of the current fiscal year, MSD Wayne Township's governmental funds reported a combined ending fund balance of \$91,868.
- At the end of the current fiscal year, the fund balance for the Operations Fund was \$9,847 which represented 58.56% of total operations fund expenditures, excluding transfers out.
- MSD Wayne Township's total bond and loan related debt as of June 30, 2021 is \$252,668.

Overview of the Financial Statements

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

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of MSD Wayne Township's finances, in a manner similar to a private-sector business.

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

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

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

The government-wide financial statements can be found on pages 1-3 of this report.

Metropolitan School District of Wayne Township

Management's Discussion and Analysis

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MSD Wayne Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of MSD Wayne Township can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

MSD Wayne Township maintains 57 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Education Fund, Referendum-2015 Fund, Debt Service Fund, Operations Fund, Referendum – 2019 Fund, Construction Funds and Building Corporation Debt Service Fund, which are considered to be major funds. Data for the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report. MSD Wayne Township adopts an annual appropriated budget for its operations, educational, and debt service funds. Budgetary comparison schedules have been provided for the major special revenue funds in the required supplementary information and for the other funds subsequent to the combining non-major fund information, as other information, to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 4-6 of this report.

Proprietary funds. MSD Wayne Township maintains two proprietary funds for internal services. Internal service funds are an accounting device used to accumulate and allocate costs internally among MSD Wayne Township's various functions. MSD Wayne Township uses the internal service fund to account for medical and liability insurance. Because these services benefit the governmental-type functions, they have been included within the governmental activities on the Statement of Net Position in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 7-9 of this report.

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

The basic fiduciary fund financial statements can be found on pages 10-11 of this report.

Metropolitan School District of Wayne Township

Management's Discussion and Analysis

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 12-59 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning MSD Wayne Township's budgets for its major funds as well as a reconciliation between the budget schedules and fund financial statements. Since MSD Wayne Township budgets on a calendar year basis and reports on fiscal year ending June 30th basis, there is a timing exception. In addition, MSD Wayne Township's progress in funding its obligation to provide pension and other post-employment benefits to certain employees is included as supplementary information. Required supplementary information can be found on pages 60-76 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on budgets. Combining and individual fund statements and schedules can be found pages on 77-98 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of government's financial position. For MSD Wayne Township, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$74,578 at the close of the most recent fiscal year.

A total of \$1,111, 1.49% of MSD Wayne Township's net position reflects the investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. MSD Wayne Township uses these capital assets to provide services; consequently, these assets are not available for future spending. Although MSD Wayne Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Metropolitan School District of Wayne Township

Management's Discussion and Analysis

The following table reflects the condensed statement of MSD Wayne Township's net position:

Metropolitan School District of Wayne Township Net Position as of June 30, 2021

	Governmental-Type Activities	
	2021	2020
Current and Other Assets	\$ 147,166	\$ 133,885
Capital Assets	219,895	208,679
Total Assets	367,061	342,564
Deferred Outflow of Resources	19,949	13,701
Long-term Liabilities Outstanding	272,519	267,626
Other Liabilities	21,593	15,906
Total Liabilities	294,112	283,532
Deferred Inflow of Resources	18,320	18,283
Net Investment in Capital Assets	1,111	(3,588)
Restricted	68,894	79,472
Unrestricted	4,573	(21,434)
Total Net Position	\$ 74,578	\$ 54,450

The impacts of restatement were not included in the fiscal year 2020 information.

A portion of MSD Wayne Township's net position, \$68,894 (92.38%), represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, MSD Wayne Township reported a positive balance in net position. The following table provides a summary of changes in net position for MSD Wayne Township.

Metropolitan School District of Wayne Township

Management's Discussion and Analysis

Metropolitan School District of Wayne Township – Changes in Net Position

Description	Governmental Activities	
	2021	2020
Revenues:		
Program Revenues:		
Charges for Services	\$ 8,751	\$ 9,438
Operating Grants and Contributions	35,297	29,977
General Revenues:		
Taxes:		
Property	59,809	58,586
Other	5,319	5,092
State Aid	122,014	124,028
Other	13,859	16,128
	<u>245,049</u>	<u>243,249</u>
Expenses:		
Instruction	122,435	111,906
Support Services	59,284	56,053
Community Services	11,714	15,144
Facilities Acquisition and Construction	16,828	15,749
Interest on Long Term Debt	7,382	5,996
Nonprogrammed Charges	12,561	16,643
	<u>230,204</u>	<u>221,491</u>
Changes in Net Position	14,845	21,758
Net Position - beginning of year - adjusted	<u>59,733</u>	<u>32,692</u>
	<u>\$ 74,578</u>	<u>\$ 54,450</u>

The impacts of restatement were not included in the fiscal year 2020 information.

Metropolitan School District of Wayne Township

Management's Discussion and Analysis

MSD Wayne Township's net position from governmental activities was \$74,578 as of June 30, 2021. Notable governmental activities revenue and expense for the fiscal year ended June 30, 2021 included the following:

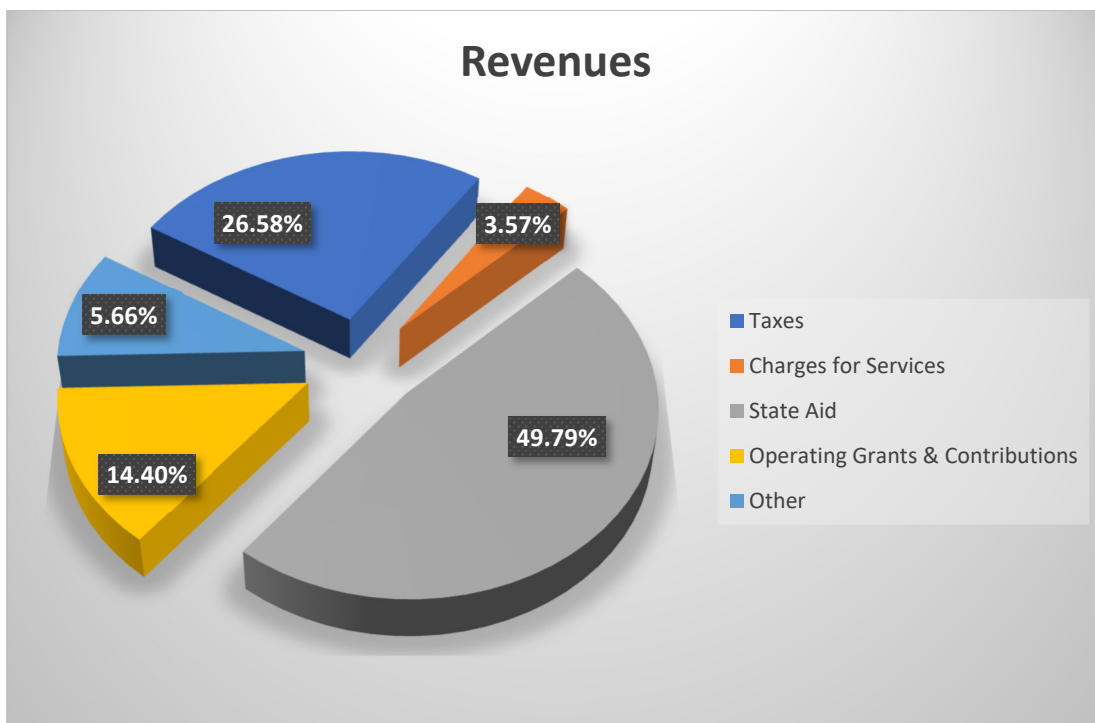
- Operating grants and contributions increased \$5,320.
- Other income decreased \$2,269.
- Expenses for instruction decreased \$10,529.
- Expenses for support services increased \$3,231.
- Expenses for community services decreased by \$3,430.
- Expenses for interest on long-term debt increased by \$1,386 mainly due to increase in loan and bond debt.

MSD Wayne Township's overall cash and investments are \$109,644. MSD Wayne Township's property tax rate for 2021 is \$2.2971. The rate was \$2.3029 for 2020 (per \$100 of assessed value). The Property tax rate decreased \$.0058.

Program Revenue and Expenses – Governmental Activities

State Aid was MSD Wayne Township's major source of revenue supporting its activities. Other sources of revenue consisted primarily of grants and contributions not restricted to specific programs, investment income, and miscellaneous revenue.

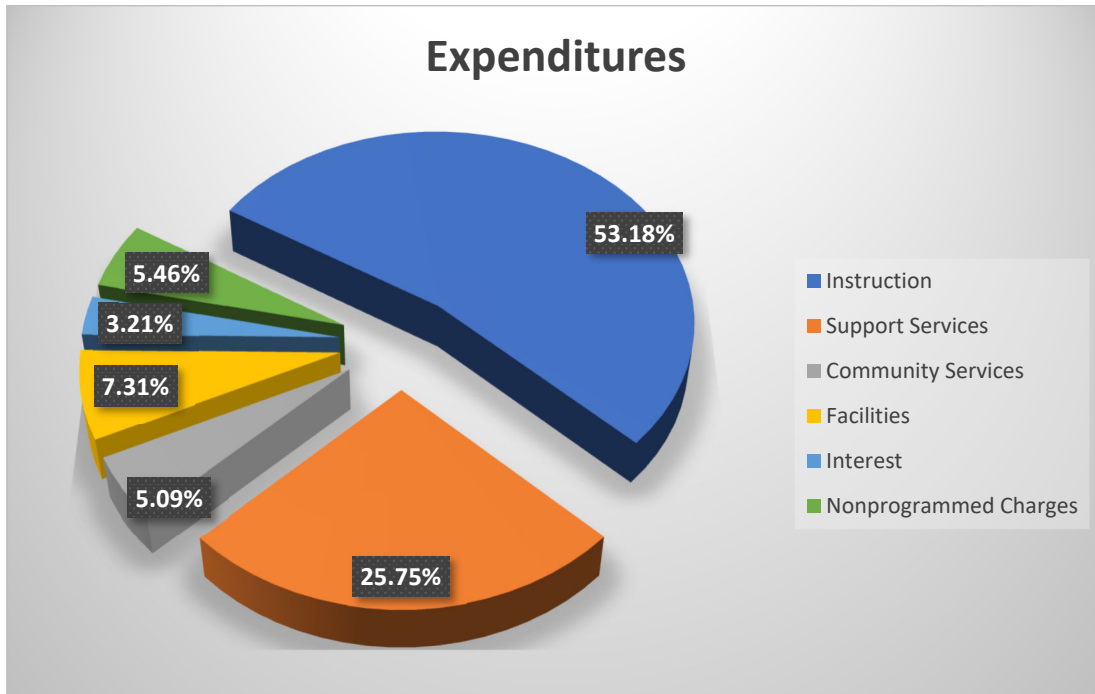
The following chart displays the Revenues by Source for MSD Wayne Township's governmental activities:



Metropolitan School District of Wayne Township

Management's Discussion and Analysis

Instruction was the major source of expenses for the fiscal year ended June 30, 2021. In addition to instruction, MSD Wayne Township incurred costs for support services, community service, facility acquisition and construction, interest on debt and other nonprogrammed charges. The following chart illustrates the fiscal year spending of the governmental funds.



Financial Analysis of the Government's Funds

As noted earlier, MSD Wayne Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of MSD Wayne Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing MSD Wayne Township's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, MSD Wayne Township's governmental funds reported combined ending fund balances of \$91,868. Fund balances are the differences between assets and liabilities in a governmental fund. MSD Wayne Township implemented GASB 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The standard includes five classifications: nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

Nonspendable fund balance includes amounts that are not in spendable form or amounts that are required to be maintained intact.

Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation.

Metropolitan School District of Wayne Township

Management's Discussion and Analysis

Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision-making authority.

Assigned fund balance applies to amounts that are intended for specific purposes as expressed by governing body or authorized official and applies to remaining resources in any governmental fund other than the general fund.

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

As of the end of the current fiscal year, MSD Wayne Township's governmental funds reported combined ending fund balances of \$91,868. The fund balance has restricted fund balance of \$96,930 and committed fund balance of \$2,475.

The Operations Fund is the chief operating fund of MSD Wayne Township. The fund balance of MSD Wayne Township's Operations Fund is \$9,847 as of June 30, 2021. Key factors are as follows:

- Expenditures exceeded revenues by \$6,638, excluding other financing sources and uses.
- Major sources of revenue include local sources of \$10,142 which includes property and excise taxes received.
- Major expenditures include support services of \$16,106 for busing, maintenance, benefit administration and community relations.

The Education Fund is a major fund for the current fiscal year. The fund balance for this major fund is \$15,854. The major source of revenue was state sources in the amount of \$145,166. The expenditures include instruction of \$85,655 and support services of \$17,101.

The Referendum - 2015 Fund is considered a major fund for the current fiscal year. The fund balance for this fund is \$3,398. The main source of revenue for this fund was local sources in the amount of \$13,446. The majority of expenditures from this fund were used for support services in the amount of \$14,337.

The Referendum - 2019 Fund is considered a major fund for the current fiscal year. The fund balance for this fund is \$4,044. The main source of revenue for this fund was local sources in the amount of \$13,445. The majority of expenditures from this fund were used for instruction in the amount of \$7,985.

The Debt Service Fund is reported as a major fund at June 30, 2021. The fund balance for this fund is \$5,128. The source of revenue was local sources, consisting primarily of property taxes, in the amount of \$32,333. The expenditures from this fund were related to payment of debt obligations in the amount of \$1,094 and transfers to the Building Corporation for debt payments in the amount of \$29,157.

Construction Funds is considered a major fund for the current fiscal year. The fund balance for this fund is \$24,241. The main sources of revenue for this fund were from debt proceeds in the amount of \$22,300 and premium on debt proceeds of \$2,700. The main sources of expenditures were reimbursements to the school funds for construction costs.

Metropolitan School District of Wayne Township

Management's Discussion and Analysis

The Building Corporation Debt Service Fund was also reported as a major fund with a fund balance of \$13,989. Revenue in the amount of \$260 was received from other sources, and \$28,961 was received from transfers from the Debt Service Fund. The majority of expenditures from this fund were related to the payment of debt obligations in the amount of \$31,107.

Budgetary Highlights

The Metropolitan School District School Board submits a budget to allow for the continued operation of MSD Wayne Township. There were several assumptions used at the time of budget development, but when the actual budget information becomes available in January from the Department of Local Government Finance, MSD Wayne Township adjusts the budget accordingly. MSD Wayne Township's budget is prepared on a calendar year basis.

Capital Asset and Debt Administration

Capital assets. MSD Wayne Township's investment in capital assets for its governmental activities as of June 30, 2021 are \$219,895 (net of accumulated depreciation). This investment in capital assets includes, land, construction in progress buildings, machinery and equipment.

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

- Additions of capital assets during 2021 included buildings of \$7,795 and machinery and equipment of \$2,399 (and restatement for \$2,815).
- The four largest additions to capital assets were the Ben Davis Roof Project, the RHE Roof Project, the Ben Davis High School and CHC interior finishing projects and the school bus leases.

The following table displays MSD Wayne Township's capital assets.

Description	MSD Wayne Township Capital Assets as of June 30, 2021	
	Governmental-Type Activities	
	2021	2020
Land	\$ 98	\$ 98
Construction in Progress	14,842	2,463
Buildings	402,880	395,085
Improvements other than buildings	24,066	24,066
Machinery and Equipment	41,920	36,706
Total Capital Assets	483,806	458,418
Accumulated Depreciation	(263,911)	(249,739)
Net Capital Assets	\$ 219,895	\$ 208,679

Metropolitan School District of Wayne Township

Management’s Discussion and Analysis

Long-term debt. As of June 30, 2021, MSD Wayne Township had outstanding long-term debt of \$272,519. The detail of MSD Wayne Township's long-term debt is as follows:

MSD Wayne Township Long-term Debt as of June 30, 2021

Description	Governmental-Type Activities	
	2021	2020
General Obligation, net of premium	\$ 246,972	\$ 242,154
Loans Payable	5,636	4,915
Leases Payable	752	1,308
Compensated absences	15	379
Net Pension Liabilities	19,144	18,870
Total	<u>\$ 272,519</u>	<u>\$ 267,626</u>

Overall, MSD Wayne Township’s total long-term debt increased during the current fiscal year due to the issuance of general obligation bonds and loans.

MSD Wayne Township maintains a long-term rating of “A” on its outstanding general obligation bonds and building corporation first mortgage lease rental bonds (which are rated as a general obligation security) assigned by S&P Global Ratings.

MSD Wayne Township recognized a Net Pension Liability in 2021 of \$19,144. Additional information on the pension plans can be found in the Notes to the Financial Statements included elsewhere in this report.

Additional information of MSD Wayne Township's long-term debt can be found in the Notes to the Financial Statements included elsewhere in this report.

Economic Factors and Next Year’s Budget and Rates

- MSD Wayne Township’s assessed value increased by \$371,719 from \$2,943,114 in 2020 to \$3,314,833 in 2021. MSD Wayne Township received an increase in growth quotient of 3.5%. This increase will help support expenses for the Operations Fund.
- Property tax and the Basic Tuition Support is MSD Wayne Township’s largest source of revenue. These funds are used for education expenses as well as operating expenses. MSD Wayne Township received \$122,014 for the Basic Grant.
- State-wide property tax caps (based upon a percent of gross AV by property class) became effective in 2009. For the 2020 budget year, the loss to MSD Wayne Township due to the caps is \$14,261. 2021 expected losses of revenue due to circuit breaker is \$15,051. Expenditure restraints and revenue diversification have been used to offset this loss.

All the above factors were considered in preparing MSD Wayne Township’s budget for the 2021 calendar year.

Metropolitan School District of Wayne Township

Management's Discussion and Analysis

MSD Wayne Township recognizes likely economic impacts from the COVID-19 pandemic. These impacts will affect, at a minimum the following areas:

- Investment valuations and likely decreases to investment income
- Declines in revenues such as fee based programs
- Increase in demand for services as a result of increased unemployment
- Remote learning
- Additional investment in Personal Protection equipment
- Changes to extra-curricular activities

Request for Information

This financial report is designed to provide a general overview of MSD Wayne Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to SD Wayne Township Barry Gardner, CFO, 1220 South High School Road, Indianapolis, IN 46241.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

STATEMENT OF NET POSITION

June 30, 2021

	<u>Primary Government</u>
	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 89,592,493
Investments	20,051,644
Receivables (net)	
Taxes	27,279,324
Intergovernmental	2,789,283
Accounts	320,483
Prepays	526,225
Capital Assets	
Land and construction in progress	14,939,397
Other capital assets, net of depreciation	204,955,355
Net OPEB asset	<u>6,607,058</u>
Total Assets	<u>367,061,262</u>
DEFERRED OUTFLOWS OF RESOURCES	
Loss on refunding	2,241,899
Pension related amounts	16,709,507
OPEB related amounts	<u>997,908</u>
Total Deferred Outflows of Resources	<u>19,949,314</u>

The Notes to the Financial Statements are an integral part of this statement.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

STATEMENT OF NET POSITION

June 30, 2021

	<u>Primary Government</u>
	<u>Governmental Activities</u>
LIABILITIES	
Accounts payable	\$ 6,840,141
Accrued wages and payroll withholdings	9,183,086
Interest payable	4,340,405
Claims payable	1,229,563
Long-term liabilities due within one year	
Bonds payable	18,595,000
Loans payable	768,181
Leases payable	273,287
Compensated absences	15,271
Long-term Liabilities due in more than one year	
Bonds payable (net of discounts/premiums)	228,376,869
Leases payable	478,557
Loans payable	4,867,571
Net pension liability	19,144,349
Total Liabilities	<u>294,112,280</u>
DEFERRED INFLOWS OF RESOURCES	
OPEB related amounts	1,612,473
Pension related amounts	16,707,622
Total Deferred Inflows of Resources	<u>18,320,095</u>
NET POSITION	
Net investment in capital assets	1,111,042
Restricted for:	
Instruction	19,207,454
Support services	19,421,446
Community services	5,926,104
Debt service	17,732,076
Retirement benefits	6,607,058
Unrestricted	<u>4,573,021</u>
TOTAL NET POSITION	<u>\$ 74,578,201</u>

The Notes to the Financial Statements are an integral part of this statement.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	Program Revenues		Net (Expenses) Revenues and Changes in Net
		Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
Governmental Activities				
Instruction	\$ 122,435,400	\$ 7,861,954	\$ 18,933,240	\$ (95,640,206)
Support services	59,283,983	340,658	16,087,275	(42,856,050)
Community services	11,714,378	548,646	276,021	(10,889,711)
Facilities acquisition and construction	16,827,445	-	-	(16,827,445)
Interest on long term debt	7,381,709	-	-	(7,381,709)
Nonprogrammed charges	12,561,125	-	-	(12,561,125)
Total Governmental Activities	<u>\$ 230,204,040</u>	<u>\$ 8,751,258</u>	<u>\$ 35,296,536</u>	<u>(186,156,246)</u>
General Revenues				
Property taxes				59,809,499
Other taxes				5,319,458
Unrestricted state aid				122,013,871
Grants and contributions not restricted to specific programs				383,961
Investment income				340,712
Miscellaneous				5,407,535
Contributions				<u>7,726,042</u>
Total General Revenues				<u>201,001,078</u>
Change in Net Position				14,844,832
NET POSITION - beginning as previously stated				54,450,205
Adjustment to net position - capital assets, see note III.H				1,342,406
Adjustment to net position - extra-curricular accounts, see note III.H				1,206,352
Adjustment to net position - deferred amount of refunding, see note III.H				<u>2,734,406</u>
NET POSITION - beginning as restated				<u>59,733,369</u>
NET POSITION - END OF YEAR				<u>\$ 74,578,201</u>

The Notes to the Financial Statements are an integral part of this statement.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	Education Fund	Operations Fund	Referendum - 2015 Fund	Referendum - 2019 Fund	Debt Service Fund	Construction Funds	Building Corporation Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 8,069,041	\$ 8,637,460	\$ 1,984,685	\$ 2,511,944	\$ 5,128,617	\$ 24,240,784	\$ 13,988,706	\$ 20,181,546	\$ 84,742,783
Receivables									
Taxes	-	3,204,733	5,405,522	5,405,522	13,263,547	-	-	-	27,279,324
Intergovernmental	-	-	-	-	-	-	-	2,789,283	2,789,283
Accounts	13,226	35,630	1,000	-	-	-	-	206,008	255,864
Investments	6,572,560	4,984,950	1,616,606	2,046,079	-	-	-	4,831,449	20,051,644
Due from other funds	7,232,684	-	-	-	-	-	-	-	7,232,684
TOTAL ASSETS	\$ 21,887,511	\$ 16,862,773	\$ 9,007,813	\$ 9,963,545	\$ 18,392,164	\$ 24,240,784	\$ 13,988,706	\$ 28,008,286	\$ 142,351,582
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
Liabilities									
Accounts payable	\$ 3,870	\$ 3,165,953	\$ 7,706	-	-	-	-	\$ 3,612,453	\$ 6,789,982
Accrued wages and payroll withholding	6,019,304	639,486	196,044	513,974	-	-	-	1,797,375	9,166,183
Compensated absences	9,853	5,418	-	-	-	-	-	-	15,271
Due to other funds	-	-	-	-	-	-	-	7,232,684	7,232,684
Total Liabilities	<u>6,033,027</u>	<u>3,810,857</u>	<u>203,750</u>	<u>513,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,642,512</u>	<u>23,204,120</u>
Deferred Inflows of Resources									
Unavailable revenues	-	3,204,733	5,405,522	5,405,522	13,263,547	-	-	-	27,279,324
Total Deferred Inflows of Resources	<u>-</u>	<u>3,204,733</u>	<u>5,405,522</u>	<u>5,405,522</u>	<u>13,263,547</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,279,324</u>
Fund Balances									
Restricted	15,854,484	9,847,183	3,398,541	4,044,049	5,128,617	24,240,784	13,988,706	20,427,752	96,930,116
Committed	-	-	-	-	-	-	-	2,474,393	2,474,393
Unassigned (deficit)	-	-	-	-	-	-	-	(7,536,371)	(7,536,371)
Total Fund Balances (Deficit)	<u>15,854,484</u>	<u>9,847,183</u>	<u>3,398,541</u>	<u>4,044,049</u>	<u>5,128,617</u>	<u>24,240,784</u>	<u>13,988,706</u>	<u>15,365,774</u>	<u>91,868,138</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 21,887,511	\$ 16,862,773	\$ 9,007,813	\$ 9,963,545	\$ 18,392,164	\$ 24,240,784	\$ 13,988,706	\$ 28,008,286	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the fund statements. See Note III.C.	219,894,752
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position	3,617,704
Some receivables that are not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	
Prepaid expenses	526,225
Unavailable revenue	27,279,324
Some assets, are not received in the current period, and therefore, are not reported in the fund financial statements	
Net OPEB asset	6,607,058
Deferred outflows and deferred inflows of resources related to pensions and deferred refundings do not relate to current financial resources and are not reported in the governmental funds.	
Deferred outflows - pensions	16,709,507
Deferred outflows - OPEB	997,908
Deferred outflow - loss on refunding	2,241,899
Deferred inflows - pensions	(16,707,622)
Deferred inflows - OPEB	(1,612,473)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the fund financial statements. See Note III.E.	
Net pension liability	(19,144,349)
Interest payable	(4,340,405)
Loans payable	(5,635,752)
Leases payable	(751,844)
Bonds payable, net of discount/premium	(246,971,869)

NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 74,578,201

The Notes to the Financial Statements are an integral part of this statement.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	Education Fund	Operations Fund	Referendum - 2015 Fund	Referendum - 2019 Fund	Debt Service Fund	Construction Funds	Building Corporation Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES									
Local sources	\$ 484,405	\$ 10,142,448	\$ 13,445,834	\$ 13,445,051	\$ 32,333,513	-	-	\$ 10,735,083	\$ 80,586,334
State sources	145,166,001	-	-	-	-	-	-	4,328,836	149,494,837
Federal sources	360,426	-	-	-	-	-	-	30,201,786	30,562,212
Other	15	36,226	-	9,707	-	673,246	260	778,046	1,497,500
Total Revenues	<u>146,010,847</u>	<u>10,178,674</u>	<u>13,445,834</u>	<u>13,454,758</u>	<u>32,333,513</u>	<u>673,246</u>	<u>260</u>	<u>46,043,751</u>	<u>262,140,883</u>
EXPENDITURES									
Current									
Instruction	85,654,962	-	3,791,785	7,985,434	-	-	-	27,086,145	124,518,326
Support services	17,100,963	16,105,968	14,336,901	2,075,193	-	-	-	9,897,787	59,516,812
Community services	1,055,928	30,073	-	697	-	-	-	10,020,992	11,107,690
Facilities acquisition and construction	-	92,250	79,078	-	-	-	-	26,529,765	26,701,093
Nonprogrammed charges	22,658,244	-	-	-	-	2,250	9,726	4,703,256	27,373,476
Debt service									
Principal paid on debt	-	555,683	-	-	968,333	-	21,870,000	-	23,394,016
Issuance costs	-	-	-	-	-	-	100,350	-	100,350
Other	-	-	-	-	-	-	-	18,000	18,000
Interest on debt	-	32,266	-	-	126,237	-	9,036,931	-	9,195,434
Total Expenditures	<u>126,470,097</u>	<u>16,816,240</u>	<u>18,207,764</u>	<u>10,061,324</u>	<u>1,094,570</u>	<u>2,250</u>	<u>31,017,007</u>	<u>78,255,945</u>	<u>281,925,197</u>
Excess (deficiency) of revenues over (under) expenditures	<u>19,540,750</u>	<u>(6,637,566)</u>	<u>(4,761,930)</u>	<u>3,393,434</u>	<u>31,238,943</u>	<u>670,996</u>	<u>(31,016,747)</u>	<u>(32,212,194)</u>	<u>(19,784,314)</u>
OTHER FINANCING SOURCES (USES)									
Debt proceeds	-	-	-	-	-	22,300,000	-	4,000,000	26,300,000
Loan proceeds	-	-	-	-	-	-	-	1,689,085	1,689,085
Premium on long-term debt	-	-	-	-	-	2,700,000	242,095	176,855	3,118,950
Transfers in	16,692,877	23,540,639	843,766	2,553	-	3,160	28,960,816	5,563,199	75,607,010
Transfers out	(18,221,081)	(12,000,000)	(6,976,809)	(2,676,351)	(29,157,237)	(5,021,492)	(348,446)	(1,205,594)	(75,607,010)
Total Other Financing Sources (Uses)	<u>(1,528,204)</u>	<u>11,540,639</u>	<u>(6,133,043)</u>	<u>(2,673,798)</u>	<u>(29,157,237)</u>	<u>19,981,668</u>	<u>28,854,465</u>	<u>10,223,545</u>	<u>31,108,035</u>
Net change in fund balances	18,012,546	4,903,073	(10,894,973)	719,636	2,081,706	20,652,664	(2,162,282)	(21,988,649)	11,323,721
FUND BALANCES (DEFICIT) - Beginning of Year									
	<u>(2,158,062)</u>	<u>4,944,110</u>	<u>14,293,514</u>	<u>3,324,413</u>	<u>3,046,911</u>	<u>3,588,120</u>	<u>16,150,988</u>	<u>36,148,071</u>	<u>79,338,065</u>
Prior Period Adjustment (See Note III.H)	-	-	-	-	-	-	-	1,206,352	1,206,352
Fund Balance (Deficit), As Restated	<u>(2,158,062)</u>	<u>4,944,110</u>	<u>14,293,514</u>	<u>3,324,413</u>	<u>3,046,911</u>	<u>3,588,120</u>	<u>16,150,988</u>	<u>37,354,423</u>	<u>80,544,417</u>
FUND BALANCES - END OF YEAR	\$ 15,854,484	\$ 9,847,183	\$ 3,398,541	\$ 4,044,049	\$ 5,128,617	\$ 24,240,784	\$ 13,988,706	\$ 15,365,774	\$ 91,868,138

The Notes to the Financial Statements are an integral part of this statement.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$ 11,323,721
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	22,572,885
Depreciation is reported in the government-wide statements	(12,699,238)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	
Unavailable revenue	(3,627,139)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Bonds issued	(26,300,000)
Loans issued	(1,689,085)
Premium on debt issued	(3,118,950)
Principal paid on bonds	21,870,000
Principal paid on loans	968,333
Principal paid on capital leases	555,683
Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. However, in the statement of net position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of net activities and are reported as interest expense.	
Amortization of debt premium	2,731,187
Changes in net pension liability and net OPEB asset are reported in the government wide statement of activities.	
Net OPEB asset	1,802,408
Net Pension liability (asset)	(3,262,543)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	373,732
Deferred outflows of resources related to pensions	4,005,940
Deferred outflows for OPEB related amounts	237
Deferred outflows for loss on refunding	(492,507)
Accrued interest on debt	(424,954)
Prepaid expenses	(403,234)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	
Deferred inflows of resources related to pensions	1,575,861
Deferred inflows of resources related to OPEB	(1,612,472)
Internal Service Funds are used by management to change the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	
	<u>694,967</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 14,844,832</u>

The Notes to the Financial Statements are an integral part of this statement.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

STATEMENT OF NET POSITION -
 PROPRIETARY FUNDS
 June 30, 2021

	<u>Self-Insurance</u>	<u>Internal Service</u>	<u>Totals</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 4,666,815	\$ 182,895	\$ 4,849,710
Accounts receivable	-	64,619	64,619
Total Current Assets	<u>4,666,815</u>	<u>247,514</u>	<u>4,914,329</u>
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	50,159	-	50,159
Accrued wages and payroll withholding	10,281	6,622	16,903
Claims payable	1,229,563	-	1,229,563
Total Current Liabilities	<u>1,290,003</u>	<u>6,622</u>	<u>1,296,625</u>
NET POSITION			
Unrestricted	<u>3,376,812</u>	<u>240,892</u>	<u>3,617,704</u>
TOTAL NET POSITION	<u>\$ 3,376,812</u>	<u>\$ 240,892</u>	<u>\$ 3,617,704</u>

The Notes to the Financial Statements are an integral part of this statement.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

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

For the Year Ended June 30, 2021

	Self-Insurance	Internal Service	Totals
OPERATING REVENUES			
Charges for services	\$ 14,343,145	\$ 868,900	\$ 15,212,045
Other	<u>1,645,738</u>	-	<u>1,645,738</u>
Total Operating Revenues	<u>15,988,883</u>	<u>868,900</u>	<u>16,857,783</u>
OPERATING EXPENSES			
Employers pension and benefit	13,360,749	-	13,360,749
Community services	-	741,788	741,788
Facilities acquisition and construction	25,326	-	25,326
Other support services	<u>1,996,171</u>	<u>38,782</u>	<u>2,034,953</u>
Total Operating Expenses	<u>15,382,246</u>	<u>780,570</u>	<u>16,162,816</u>
Operating Income	<u>606,637</u>	<u>88,330</u>	<u>694,967</u>
NET POSITION - Beginning of Year	<u>2,770,175</u>	<u>152,562</u>	<u>2,922,737</u>
NET POSITION - END OF YEAR	<u>\$ 3,376,812</u>	<u>\$ 240,892</u>	<u>\$ 3,617,704</u>

The Notes to the Financial Statements are an integral part of this statement.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

STATEMENT OF CASH FLOWS -
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2021

	<u>Self Insurance</u>	<u>Internal Service</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from interfund services provided	\$ 15,988,883	\$ 804,281	\$ 16,793,164
Payments for interfund services used	<u>(15,344,507)</u>	<u>(787,155)</u>	<u>(16,131,662)</u>
 Net Cash Flows From Operating Activities	 <u>644,376</u>	 <u>17,126</u>	 <u>661,502</u>
 CASH AND CASH EQUIVALENTS - Beginning of Year	 <u>4,022,439</u>	 <u>165,769</u>	 <u>4,188,208</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u>\$ 4,666,815</u>	 <u>\$ 182,895</u>	 <u>\$ 4,849,710</u>
 RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 606,637	\$ 88,330	\$ 694,967
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
Changes in assets, deferred outflows, liabilities and deferred inflows			
Accounts receivable	-	(64,619)	(64,619)
Accounts payable	(162,298)	(482)	(162,780)
Accrued wages	(6,241)	(6,103)	(12,344)
Claims payable	<u>206,278</u>	<u>-</u>	<u>206,278</u>
 NET CASH FLOWS FROM OPERATING ACTIVITIES	 <u>\$ 644,376</u>	 <u>\$ 17,126</u>	 <u>\$ 661,502</u>

The Notes to the Financial Statements are an integral part of this statement.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
June 30, 2021

	OPEB Trust Fund	Custodial Fund
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 601,701	\$ 164,498
Receivables:		
Interest	33,638	-
Investments at fair value:		
Fixed income securities	4,124,365	-
Domestic and foreign equities	7,451,587	-
Unsettled trades	<u>8,226</u>	<u>-</u>
Total Investments	<u>11,584,178</u>	<u>-</u>
Total Assets	<u>12,219,517</u>	<u>164,498</u>
NET POSITION		
Restricted for OPEB	12,219,517	-
Other	<u>-</u>	<u>164,498</u>
TOTAL NET POSITION	<u>\$ 12,219,517</u>	<u>\$ 164,498</u>

The Notes to the Financial Statements are an integral part of this statement.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS For the Year Ended June 30, 2021

	OPEB Trust Fund	Custodial Fund
ADDITIONS		
Member contributions	-	\$ 193,010
Investment income:		
Net increase in fair value of investments	24,411	-
Interest and dividends	187,086	-
Miscellaneous income	4,032	-
Non-cash asset changes	1,263	-
Realized gains and market appreciation	2,468,313	-
Net Investment Income	2,685,105	-
Total Additions	2,685,105	193,010
DEDUCTIONS		
Benefit payments	1,277,980	-
Administrative expense	65,693	-
Other	5,031	170,598
Total Deductions	1,348,704	170,598
Net increase in fiduciary net position	1,336,401	22,412
NET POSITION - Beginning of Year (as restated)	10,883,116	142,086
NET POSITION - End of Year	\$ 12,219,517	\$ 164,498

The Notes to the Financial Statements are an integral part of this statement.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

INDEX TO NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE	<u>Page</u>
I Summary of Significant Accounting Policies	13
A. Reporting Entity	13
B. Government-Wide and Fund Financial Statements	14
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	16
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position	17
1. Deposits and Investments	17
2. Receivables	18
3. Prepaid Items	18
4. Capital Assets	19
5. Deferred Outflows of Resources	19
6. Compensated Absences	19
7. Long-Term Obligations	20
8. Deferred Inflows of Resources	20
9. Equity Classifications	20
10. Postemployment Benefits Other Than Pensions (OPEB)	21
11. Pensions	22
II Stewardship, Compliance, and Accountability	22
A. Deficit Balances	22
III Detailed Notes on All Funds	23
A. Deposits and Investments	23
B. Receivables	26
C. Capital Assets	27
D. Interfund Receivables/Payables and Transfers	28
E. Long-Term Obligations	29
F. Lease Disclosures	32
G. Net Position/Fund Balances	32
H. Restatement of Fund Balances/Net Position	34
IV Other Information	35
A. Employees' Retirement System	35
B. Risk Management and Self-Insurance	54
C. Commitments and Contingencies	54
D. Other Postemployment Benefits	55
E. Subsequent Event	59
F. Effect of New Accounting Standards on Current-Period Financial Statements	59

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Metropolitan School District of Wayne Township (primary government) was established under the laws of the State of Indiana. The primary government operates under a Board of School Trustees form of government and provides education services.

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

A. REPORTING ENTITY

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

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

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

A. REPORTING ENTITY (cont.)

Blended Component Unit

The Wayne Township Building Corporation is a blended component unit of the School Corporation. The Wayne Township Building Corporation was created for the purpose of financing School buildings and improvements. Although it is legally separate from the primary government, the Building Corporation is reported as if it were a part of the primary government because it provided services entirely or almost entirely to the primary government. To exclude the financial statements of this component unit would render the School's financial statements incomplete or misleading. The Building Corporation is included as a debt service fund (to account for the retirement of debt). The Building Corporation does not issue separate financial statements.

Discretely Presented Component Unit

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61. This statement establishes criteria for reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. This standard was implemented July 1, 2020. There was no impact on the School Corporation's financial statements as a result of the adoption.

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

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

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

Fund Financial Statements (cont.)

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the School Corporation or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund that met the 10% test is at least 5% of the corresponding total for all governmental funds combined.
- c. In addition, any other governmental fund that the School Corporation believes is particularly important to financial statement users may be reported as a major fund.

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

The School Corporation reports the following major governmental funds:

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

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

Referendum - 2015 Fund - accounts for financial resources accumulated due to the referendum passed in 2015 and the uses of those resources.

Referendum - 2019 Fund - accounts for financial resources accumulated due to the referendum passed in 2019 and the uses of those resources.

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

Construction Funds - accounts for payments made for the construction and maintenance of school corporation buildings.

Building Corporation Debt Service Fund - accounts for payments made to the building corporation from the school corporation and debt payments being made in accordance with established amortization schedules

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

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

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

Fund Financial Statements (cont.)

The School Corporation reports the following nonmajor governmental fund types:

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

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

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

In addition, the School Corporation reports the following fund types:

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

OPEB Trust Fund - used to account for and report resources that that have been placed in trust to cover OPEB Benefits.

Custodial Fund - used to account for and report assets controlled by the School Corporation and the assets are utilized for the School Corporation's flex spending account.

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

Government-Wide Financial Statements

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

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

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

Fund Financial Statements

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

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

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

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

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

All Financial Statements

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

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

1. Deposits and Investments

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

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

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

1. Deposits and Investments (cont.)

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

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

See Note III. A. for further information.

2. Receivables

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

The total certified levy for MSD Wayne Township School Corporation for June 30, 2021 was \$74,208,381; however, circuit breaker credits reduced the assessed levy by \$15,050,773, bringing the total estimated collections from property taxes down to \$59,157,608.

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

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items on the government-wide statements.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

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

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

4. Capital Assets

Government-Wide Statements

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

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

Land	NA	Years
Buildings	15-40	Years
Machinery, vehicles, and equipment	5-20	Years
Improvements other than buildings	5-30	Years

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

5. Deferred Outflows of Resources

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

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

6. Compensated Absences

Upon separation of service, employees are not paid sick, personal, or vacation days, except in the instance where they are paid a portion of unused sick time as severance pay. Employees with 10 years of service, and have applied for PERF benefits would receive severance pay for their unused sick time.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

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

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

6. Compensated Absences (cont.)

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2021, are determined on the basis of current salary rates and include salary related payments.

7. Long-Term Obligations

All long-term obligations to be repaid from governmental resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of bonds, leases, and loans payable, as well as the net pension liability.

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

8. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time. One of the deferred inflows reported, arises only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The school corporation is also reporting deferred inflows for pension and OPEB related amounts on the government-wide schedule.

9. Equity Classifications

Government-Wide Statements

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

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

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

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

9. Equity Classifications (cont.)

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

Fund Statements

Governmental fund balances are displayed as follows:

- a. Restricted - Consists of fund balances with constraints placed on their use either by: 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- b. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the School Corporation Board. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the School Corporation Board that originally created the commitment.
- c. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

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

See Note III. G. for further information.

Fiduciary fund net position is classified as restricted for OPEB and other activities on the statement of fiduciary net position.

10. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB asset, deferred outflows of resources related to OPEB, and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by the School Corporation OPEB Plan. For this purpose, the School Corporation OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

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

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

11. Pensions

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

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. DEFICIT BALANCES

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

As of June 30, 2021, the following individual funds held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Sanders COOP Funds	\$ 539,318	Liability due to advances from other funds and other payables
2020 Esser	401,166	Reimbursable grants
2020-2024 ARPA	132,207	Reimbursable grants
2020-2023 CRRSA	1,780,621	Reimbursable grants
2020-2022 Geer	37,021	Reimbursable grants
2020 Project Aware	44,185	Reimbursable grants
Federal Programs	634,559	Reimbursable grants
2017 First Mortgage	14,900	Resources temporarily loaned to support operations
2021 First Mortgage	3,952,394	Resources temporarily loaned to support operations

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE III - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
Checking accounts	\$ 86,005,428	\$ 87,066,171	Custodial credit risk
Money market accounts	4,353,264	4,353,264	Custodial credit risk
Certificates of deposit (negotiable)	20,051,644	20,051,644	Credit risk, custodial credit risk,
			concentration of credit risk, interest rate risk
Corporate bonds	2,070,195	2,070,195	Credit risk, custodial credit risk,
			concentration of credit risk, interest rate risk
Equity securities	7,918,859	7,918,859	Custodial credit risk, concentration of credit risk
US agencies - implicitly guaranteed	886,312	886,312	Credit risk, custodial credit risk,
			concentration of credit risk, interest rate risk
US Treasuries	<u>708,812</u>	<u>708,812</u>	Custodial credit risk, interest rate risk
 Total Deposits and Investments	 <u>\$ 121,994,514</u>	 <u>\$ 123,055,257</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 109,644,137		
Per statement of net position - fiduciary funds			
Custodial fund	164,498		
OPEB trust fund	<u>12,185,879</u>		
 Total Deposits and Investments	 <u>\$ 121,994,514</u>		

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

A. DEPOSITS AND INVESTMENTS (cont.)

The School Corporation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

Investment Type	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Certificate of deposit (negotiable)	\$ 20,051,644	\$ -	\$ -	\$ 20,051,644
Corporate bonds	-	2,070,195	-	2,070,195
US agencies - implicitly guaranteed	-	886,312	-	886,312
US treasuries	-	708,812	-	708,812
Equity securities/stocks	<u>7,918,859</u>	<u>-</u>	<u>-</u>	<u>7,918,859</u>
Total	<u>\$ 27,970,503</u>	<u>\$ 3,665,319</u>	<u>\$ -</u>	<u>\$ 31,635,822</u>

Custodial Credit Risk

Deposits

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

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

The School Corporation has deposits in the Hoosier Trust Fund. The Hoosier Fund was established in October 2006 pursuant to Indiana Code 36-1-7, the Interlocal Cooperation Act, and commenced operations April 1, 2009, and is governed by a Board of Representatives made up representatives from each Participant. HoosierFund provides a voluntary investment pool for political subdivisions or other legislatively created quasi-governmental entities or bodies corporate and politic (collectively, Participants). HoosierFund invests Participants' funds in a legal, prudent, and suitable fashion, maintained safety of principal, allowing daily liquidity, providing competitive interest rates and delivering a high level of service. HoosierFund's portfolio follows the investment criteria set forth in Indiana Code 5-13-9.

As of June 30, 2021, \$80,109,789 of the School Corporation's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	<u>\$ 80,109,789</u>
Total	<u>\$ 80,109,789</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

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

As of June 30, 2021, the School Corporation's investments were rated as follows:

Rating	Fixed Income Securities
AA+	\$ 712,383
AA	175,331
AA-	264,502
A+	54,517
A	88,635
A-	294,968
BBB+	522,704
BBB	133,931
Unrated	<u>21,469,992</u>
Total	<u>\$ 23,716,963</u>

The School Corporation has funds invested in the Hoosier Trust Investment Pool, which has a Standard & Poor's credit rating of AAAM.

Concentration of Credit Risk

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

The School Corporation does not have a policy associated with concentration of credit risk.

At June 30, 2021, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Net Position
Merchant's Bank	Certificate of Deposit	24.94%
Merchant's Bank	Certificate of Deposit	25.19%
Merchant's Bank	Certificate of Deposit	24.94%
Merchant's Bank	Certificate of Deposit	24.94%

Interest Rate Risk

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

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

Investment Type	Fair Value	Maturity (In Years)		
		Less than 1 Year	1-5 Years	More Than 5 Years
Certificate of deposit (negotiable)	\$ 20,051,644	\$ 20,051,644	\$ -	\$ -
US treasuries	708,812	55,737	242,697	410,378
US agencies	886,312	196,433	400,215	289,664
Corporate bonds	<u>2,070,195</u>	<u>62,394</u>	<u>1,203,347</u>	<u>804,454</u>
Totals	<u>\$ 23,716,963</u>	<u>\$ 20,366,208</u>	<u>\$ 1,846,259</u>	<u>\$ 1,504,496</u>

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

B. RECEIVABLES

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

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

	<u>Unavailable</u>
Taxes Receivable	<u>\$ 27,279,324</u>
Total Unavailable Revenue for Governmental Funds	<u>\$ 27,279,324</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

C. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Adjustments*	Additions	Deletions	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 97,700	\$ -	\$ -	\$ -	\$ 97,700
Construction in progress	<u>2,463,647</u>	<u>-</u>	<u>19,424,960</u>	<u>7,046,910</u>	<u>14,841,697</u>
Total Capital Assets Not Being Depreciated	<u>2,561,347</u>	<u>-</u>	<u>19,424,960</u>	<u>7,046,910</u>	<u>14,939,397</u>
Capital assets being depreciated					
Buildings	395,084,677	-	7,795,520	-	402,880,197
Improvements other than buildings	24,065,774	-	-	-	24,065,774
Machinery and equipment	<u>36,706,201</u>	<u>2,814,693</u>	<u>2,399,315</u>	<u>-</u>	<u>41,920,209</u>
Total Capital Assets Being Depreciated	<u>455,856,652</u>	<u>2,814,693</u>	<u>10,194,835</u>	<u>-</u>	<u>468,866,180</u>
Total Capital Assets	<u>458,417,999</u>	<u>2,814,693</u>	<u>29,619,795</u>	<u>7,046,910</u>	<u>483,805,577</u>
Less: Accumulated depreciation for					
Buildings	(202,720,907)	-	(9,781,341)	-	(212,502,248)
Improvements other than buildings	(17,620,714)	-	(927,670)	-	(18,548,384)
Machinery and equipment	<u>(29,397,679)</u>	<u>(1,472,287)</u>	<u>(1,990,227)</u>	<u>-</u>	<u>(32,860,193)</u>
Total Accumulated Depreciation	<u>(249,739,300)</u>	<u>(1,472,287)</u>	<u>(12,699,238)</u>	<u>-</u>	<u>(263,910,825)</u>
Net Capital Assets Being Depreciated	<u>206,117,352</u>	<u>1,342,406</u>	<u>(2,504,403)</u>	<u>-</u>	<u>204,955,355</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 208,678,699</u>	<u>\$ 1,342,406</u>	<u>\$ 16,920,557</u>	<u>\$ 7,046,910</u>	<u>\$ 219,894,752</u>

* - An adjustment was made to the beginning balance due to machinery and equipment obtained through capital lease in prior years but not reported. This restatement is shown on the Statement of Activities.

Depreciation expense was charged to functions as follows:

Governmental Activities	
Nonprogrammed charges	<u>\$ 12,699,238</u>
Total Governmental Activities Depreciation Expense	<u>\$ 12,699,238</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Education Fund	Nonmajor governmental funds	\$ <u>7,232,684</u>
Total - Fund Financial Statements		7,232,684
Less: Government-wide eliminations		<u>(7,232,684)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ -</u>

All amounts are due within one year.

The principal purpose of these interfunds is to cover negative cash balances at year end.

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Education	Operations	\$ 12,000,000	To support operations
Education	Referendum - 2015 Operating	2,000,000	To support operations
Education	Referendum - 2019 Operating	2,676,351	To support operations
Education	Nonmajor governmental funds	16,526	To support operations
Operations	Education	18,221,081	To support operations
Operations	Referendum - 2015 Operating	4,976,809	To support operations
Operations	Nonmajor governmental funds	342,749	To support operations
Referendum - 2015 Operating	Nonmajor governmental funds	843,766	To support operations
Referendum - 2019 Operating	Nonmajor governmental funds	2,553	To support operations
Construction	Building Corporation Debt Service	3,160	Debt service support
Building Corporation Debt Service	Debt Service	28,960,816	Debt service support
Nonmajor governmental funds	Debt Service	196,421	Debt service support
Nonmajor governmental funds	Construction	5,021,492	Construction cost support
Nonmajor governmental funds	Building Corporation Debt Service	<u>345,286</u>	Debt service support
Total - Fund Financial Statements		75,607,010	
Less: Government-wide eliminations		<u>(75,607,010)</u>	
Total Transfers - Government-Wide Statement of Activities		<u>\$ -</u>	

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

D. INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (cont.)

Transfers (cont.)

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

E. LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and Notes Payable					
General obligation debt	\$ 224,645,000	\$ 26,300,000	\$ 21,870,000	\$ 229,075,000	\$ 18,595,000
Loans payable - Direct					
Borrowing	4,915,000	1,689,085	968,333	5,635,752	768,181
Premium on bond debt	<u>17,509,106</u>	<u>3,118,950</u>	<u>2,731,187</u>	<u>17,896,869</u>	<u>-</u>
Sub-totals	<u>247,069,106</u>	<u>31,108,035</u>	<u>25,569,520</u>	<u>252,607,621</u>	<u>19,363,181</u>
Other Liabilities					
Compensated absences	379,020	15,271	379,020	15,271	15,271
Capital leases - Direct					
Borrowing	1,307,527	-	555,683	751,844	273,287
Net pension liability	<u>18,869,931</u>	<u>13,095,903</u>	<u>12,821,485</u>	<u>19,144,349</u>	<u>-</u>
Total Other Liabilities	<u>20,556,478</u>	<u>13,111,174</u>	<u>13,756,188</u>	<u>19,911,464</u>	<u>288,558</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 267,625,584</u>	<u>\$ 44,219,209</u>	<u>\$ 39,325,708</u>	<u>\$ 272,519,085</u>	<u>\$ 19,651,739</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt

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

Governmental Activities

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance as of June 30, 2021</u>
General obligation bond series 2018	6/7/18	1/15/23	2.25% to 3%	\$ 4,000,000	\$ 1,355,000
Ad valorem property tax first mortgage bonds, series 2013	6/12/13	1/15/33	3.5% to 4%	6,875,000	6,875,000
Ad valorem property tax first mortgage refunding and improvement bonds, series 2014	4/15/04	1/15/34	3.6% to 5%	80,110,000	49,185,000
Ad valorem property tax first mortgage refunding bonds, series 2015	3/8/15	1/15/31	3.5% to 4%	19,055,000	12,925,000
Ad valorem property tax first mortgage bonds, series 2016	6/21/16	1/15/36	3.5% to 4%	6,805,000	6,805,000
Ad valorem property tax first mortgage refunding and improvement bonds, series 2017	10/17/17	1/15/37	4% to 5%	98,170,000	89,820,000
General obligation bond series 2019	11/7/19	1/15/22	2%	10,055,000	2,405,000
First mortgage bonds, series 2020	2/4/10	1/15/36	2.15%	20,225,000	20,225,000
First mortgage refunding bond, series 2004	10/7/04	1/10/22	5%	68,070,000	5,345,000
Ad valorem property tax first mortgage bonds, series 2019	4/16/19	1/15/32	4% to 5%	7,835,000	7,835,000
Ad valorem property tax first mortgage bonds, series 2021	3/31/21	1/15/37	3% to 4%	22,300,000	22,300,000
General Obligation bonds series 2020	10/28/20	1/15/23	3% to 4%	4,000,000	<u>4,000,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 229,075,000</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

E. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2022	\$ 18,595,000	\$ 8,786,924
2023	20,970,000	9,096,079
2024	16,135,000	7,673,878
2025	16,845,000	6,995,574
2026	17,550,000	6,290,775
2027-2031	89,765,000	18,784,329
2032-2036	44,525,000	4,715,190
2037	4,690,000	128,550
Totals	<u>\$ 229,075,000</u>	<u>\$ 62,471,299</u>

Loans Payable

Loans Payable at June 30, 2021 consist of the following:

Governmental Activities Loan Payable	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance June 30, 2021
Solar farm	9/12/18	1/15/29	3%	\$ 4,940,000	\$ 3,680,000
Common school loan B0016	11/2/18	7/1/21	1%	1,600,000	266,667
Common school loan B0203	3/9/21	7/1/24	1%	1,689,085	1,689,085
Total Governmental Activities Loans Payable					<u>\$ 5,635,752</u>

Debt service requirements to maturity are as follows:

School Years Ending June 30,	Governmental Activities Loans Payable	
	Principal	Interest
2022	\$ 768,181	\$ 70,277
2023	1,013,029	113,093
2024	1,028,028	93,888
2025	761,514	74,158
2026	495,000	58,275
2027-2029	1,570,000	83,550
Totals	<u>\$ 5,635,752</u>	<u>\$ 493,241</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

F. LEASE DISCLOSURES

Lessee - Capital Leases

The School Corporation has acquired buses, reported as capital assets, through capital lease. The balance of those assets under capital lease is \$1,754,216, with a original cost of \$3,742,256 less accumulated depreciation of \$1,988,040. The future minimum lease obligations and the net present value on these minimum lease payments as of June 30, 2021, are as follows:

Years	Governmental Activities		
	Principal	Interest	Totals
2022	\$ 273,287	\$ 20,713	\$ 294,000
2023	186,875	13,839	200,714
2024	192,906	7,808	200,714
2025	98,776	1,582	100,358
Totals	<u>\$ 751,844</u>	<u>\$ 43,942</u>	<u>\$ 795,786</u>

G. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at June 30, 2021, includes the following:

Governmental Activities

Net Investment in Capital Assets	
Land	\$ 97,700
Construction in progress	14,841,697
Other capital assets, net of accumulated depreciation	204,955,355
Less: Long-term debt outstanding	(253,359,465)
Plus: Unspent bond proceeds	32,333,856
Plus: Unamortized loss on refunding	2,241,899
Total Net Investment in Capital Assets	<u>\$ 1,111,042</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

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

G. NET POSITION/FUND BALANCES (cont.)

Governmental Funds

Governmental fund balances reported on the fund financial statements at June 30, 2021, include the following:

	<u>Education Fund</u>	<u>Operations Fund</u>	<u>Referendum - 2015</u>	<u>Referendum - 2019</u>	<u>Debt Service</u>	<u>Construction Funds</u>	<u>Building Corporation Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total Governmental Funds</u>
Fund Balances									
Restricted for:									
Instruction	\$ 15,854,484	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,352,970	\$ 19,207,454
Support Services	-	9,847,183	3,398,541	4,044,049	-	-	-	2,131,673	19,421,446
Debt Service	-	-	-	-	5,128,617	-	13,988,706	2,955,158	22,072,481
Building									
Acquisition	-	-	-	-	-	24,240,784	-	6,061,847	30,302,631
Community									
Services	-	-	-	-	-	-	-	5,926,104	5,926,104
Sub-total	<u>15,854,484</u>	<u>9,847,183</u>	<u>3,398,541</u>	<u>4,044,049</u>	<u>5,128,617</u>	<u>24,240,784</u>	<u>13,988,706</u>	<u>20,427,752</u>	<u>96,930,116</u>
Committed to:									
Instruction	-	-	-	-	-	-	-	197,017	197,017
Support Services	-	-	-	-	-	-	-	214,956	214,956
Community									
Services	-	-	-	-	-	-	-	564,649	564,649
Other	-	-	-	-	-	-	-	1,497,771	1,497,771
Sub-total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,474,393</u>	<u>2,474,393</u>
Unassigned									
(deficit):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,536,371)</u>	<u>(7,536,371)</u>
Total Fund									
Balances	<u>\$ 15,854,484</u>	<u>\$ 9,847,183</u>	<u>\$ 3,398,541</u>	<u>\$ 4,044,049</u>	<u>\$ 5,128,617</u>	<u>\$ 24,240,784</u>	<u>\$ 13,988,706</u>	<u>\$ 15,365,774</u>	<u>\$ 91,868,138</u>
(Deficit)									

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

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

H. RESTATEMENT OF FUND BALANCES/NET POSITION

Fund balance has been restated to correct an error in reporting extra curricular accounts in custodial funds.

Nonmajor Governmental Fund Balances

Nonmajor Governmental Fund balance - June 30, 2020 (as reported)	\$ 36,148,071
Add: Extra curricular accounts	<u>1,206,352</u>
Fund Balance - June 30, 2020 (as restated)	<u>\$ 37,354,423</u>

Custodial Funds Fund Balance

Custodial Funds Fund balance - June 30, 2020 (as reported)	\$ 1,347,410
Add: Clearing account activity moved to general fund	1,028
Less: Extra curricular accounts	<u>(1,206,352)</u>
Fund Balance - June 30, 2020 (as restated)	<u>\$ 142,086</u>

Net position has been restated to correct unrecorded amounts for capital assets and deferred amount on refunding. The impact of the restatement to nonmajor governmental funds for the presentation of extra curricular accounts also impacts net position.

Government Wide Net Position - June 30, 2020 (as reported)	\$ 54,450,205
Add: Adjustment to correct unrecorded capital assets	1,342,406
Adjustment to correct unrecorded deferred amount on refunding	2,734,406
Adjustment to add extra curricular accounts from custodial fund reporting	<u>1,206,352</u>
Net Position - June 30, 2020 (as restated)	<u>\$ 59,733,369</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

Public Employees' Retirement Fund

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

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

Contributions. Members are required to contribute 3% of their annual covered salary to their defined contribution account. The primary government is required to contribute at an actuarially determined rate; the current rate for fiscal year 2019 is 11.20% percent of annual covered payroll. The rate for 2020 is also 11.20%. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PERF plan from the School Corporation were \$3,495,504 for the fiscal year ended June 30, 2020, the measurement date.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

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

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

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

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

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

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

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

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

Rate of Return. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the fiscal year ended June 30, 2021 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense for Public Employee's Retirement Fund was 2.58 percent.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

Net Pension Liability

At June 30, 2020, the measurement date, the School Corporation reported a liability of \$17,515,870 for its proportionate share of the net pension liability. The School Corporation's proportion of the total was measured on the ratio of the wages reported by employers relative to the collective wages of the plan. This basis of allocation measures the proportionate relationship of an employer to all employers and is consistent with the manner in which contributions to the pension plan are determined. The plan does not have a special funding situation, as there is not a non-employer contributing entity legally responsible for making contributions that are used to provide pension benefits to members of the pension plan. At June 30, 2021, the School Corporation's proportion was 0.57992% and increase of 0.00898% from the June 30, 2019 proportion of 0.57094%. The net pension liability as of June 30, 2021 is calculated as set forth in the following table:

	<u>PERF Plan Totals</u>
Net pension liability - beginning June 30, 2019	\$ 18,869,931
Differences between expected and actual experience	(424,511)
Net difference between projected and actual investment	2,391,010
Change of assumptions	(1,602,475)
Changes in proportion and differences between employer contributions and proportionate share of contributions	395,161
Pension expense	1,382,258
Contributions	<u>(3,495,504)</u>
Net pension liability - June 30, 2020	<u>\$ 17,515,870</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

Deferred Outflows of Resources and Deferred Inflows of Resources. At June 30, 2021, the School Corporation reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 310,331	\$ 235,173
Changes in assumptions	-	3,649,575
Net differences between projected and actual earnings on pension plan investments	1,499,076	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	282,473	222,061
Employer contributions subsequent to the measurement date	<u>3,688,990</u>	<u>-</u>
Totals	<u>\$ 5,780,870</u>	<u>\$ 4,106,809</u>

\$3,688,990 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized in the school corporation's financial statement as a reduction of the net pension liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2022	\$ (1,801,944)
2023	(644,368)
2024	(205,391)
2025	636,774

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

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

Pension Expense	
Proportionate share of plan pension expense	\$ 1,410,633
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(28,375)</u>
Total	<u><u>\$ 1,382,258</u></u>

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

Valuation Date:	June 30, 2020
Assets:	June 30, 2019 - Member census data as of June 30, 2019 was used in the valuation and adjusted where appropriate to reflect changes between June 30, 2019 and June 30, 2020. Standard actuarial roll forward techniques were then used to project the total pension liability computed as of June 30, 2018 to June 30, 2019 measurement date.
Liabilities:	
Actuarial Cost Method:	Entry Age Normal (Level percent of payroll)
Actuarial Assumptions:	
Experience Study Date:	Period of 5 years ended June 30, 2019
Investment Rate of Return:	6.75%, net of investment expense, including inflation
Cost of Living Increases:	2020-2021 - 13th check
	Beginning January 1, 2022 - 0.40%
	Beginning January 1, 2034 - 0.50%
	Beginning January 1, 2039 - 0.60%
Salary increases, including inflation:	2.75% - 8.75% based on age
Inflation:	2.25%

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

Mortality:

Health: Pub-2010 Public Retirement Plans Mortality Tables with a fully generational project of mortality improvements using SOA Scale MP-2019.

Disability: Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019

Change in Assumptions. The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience. The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

Plan Amendments. There were no changes in the plan provisions during the fiscal year.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

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

	Target Asset Allocation %	Long-Term Expected Real Rate of Return % (Geometric Basis)
Public Equity	22.0%	4.4%
Private Equity	14.0	7.6
Fixed Income - Ex Inflation-Linked	20.0	1.9
Fixed Income - Inflation-Linked	7.0	0.5
Commodities	8.0	1.6
Real Estate	7.0	5.8
Absolute Return	10.0	2.9
Risk Parity	12.0	5.5

Discount rate. The discount rate used to measure the total pension liability was 6.75% as of June 30, 2020 and is equal to the long-term expected return on plan investments.

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

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
School Corporation's proportionate share of the net pension liability	\$28,556,827	\$17,515,870	\$8,268,173

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Public Employees' Retirement Fund (cont.)

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

https://www.in.gov/inprs/files/2020ActuarialReport_PERF.pdf
https://www.in.gov/inprs/files/INPRSConsolidatedAR_FY20.pdf

Teacher's Retirement Plan

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

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

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

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

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

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

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

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

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

Contributions. Members are required to contribute 3% of their annual covered salary. The School Corporation is required to contribute at an actuarially determined rate; the rate for fiscal year 2019 was 7.50% and the rate for fiscal year 2020 was 5.50% of annual covered payroll. The contribution requirements of plan members and the primary government are established and may be amended by the INPRS Board of Trustees. The actuarial amount, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana. Contributions to the TRF plan from the School Corporation were \$3,952,366 for the year ended June 30, 2020, measurement date.

Pension Liability, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana Public Retirement System (INPRS) and additions to/deductions from INPRS's fiduciary net position have been determined on the same basis as they are reported by INPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. At June 30, 2021, the School reported a liability of \$1,628,479 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School's proportion of the net pension liability was based on the School's reported wages as a proportion of total collective reported wages for all employers. At June 30, 2021, the School's proportion was 2.08938 percent, an increase of .009828 percent from June 30, 2019 proportion of 2.08001 percent. The net pension liability as of June 30, 2021 is calculated as set forth in the following table:

	TRF Plan Totals
Net pension asset - beginning June 30, 2019	\$ (2,988,125)
Differences between expected and actual experience	(358,504)
Net difference between projected and actual investment	4,228,858
Change of assumptions	281,527
Changes in proportion and differences between employer contributions and proportionate share of contributions	317,931
Pension expense	4,099,158
Contributions	(3,952,366)
Net pension liability - June 30, 2020	\$ 1,628,479

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

For the year ended June 30, 2021, the School Corporation recognized pension expense of \$4,099,158 for the TRF Fund. A breakdown of the pension expense is shown below:

Pension Expense	
Proportionate share of plan pension expense	\$ 4,389,457
Net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(290,299)</u>
Total	<u>\$ 4,099,158</u>

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,099,522	\$ 3,647,323
Changes in assumptions	3,151,872	6,130,062
Net differences between projected and actual earnings on pension plan investments	2,593,271	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	286,703	2,823,428
Employer contributions subsequent to the measurement date	<u>3,797,269</u>	<u>-</u>
Totals	<u>\$ 10,928,637</u>	<u>\$ 12,600,813</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

\$3,797,269 reported as deferred outflows related to pension resulting from the Employer's contributions subsequent to the measurement date will be recognized in the school corporation's financial statements as a reduction of the net pension liability (asset) in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2022	\$ (714,875)
2023	(488,322)
2024	32,536
2025	175,943
2026	(896,997)
Thereafter	(3,577,730)

Actuarial Assumptions.

Inflation:	2.25%
Salary increases, including inflation:	2.75%-12.00% based on years of service
Cost of Living Increases:	2020-2021 - 13th check
	Beginning January 1, 2022 - 0.40%
	Beginning January 1, 2034 - 0.50%
	Beginning January 1, 2039 - 0.60%
Mortality:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational project of mortality improvements using SOA Scale MP-2019.

The actuarial assumptions used in the June 30, 2021 valuation of the Teachers' 1996 Defined Benefit Account were adopted by the INPRS Board in June 2020. The majority of the actuarial assumptions and methods are based on plan experience from July 1, 2014 through June 30, 2019 and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

Changes in Assumption.

The future salary increase assumption changed from a table ranging from 2.50 percent to 12.50 percent to a table ranging from 2.75 percent to 12.00 percent.

The mortality assumption changed from the RP-2014 White Collar Mortality Table with Social Security Administration generational projection scale from 2006 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The termination assumption was updated based on recent experience. The age-based table and service-based tables which were used previously were replaced by one service-based table.

The disability assumption was updated based on recent experience.

The retirement assumption was updated based on recent experience and was updated from an age-based table split by regular retirement, rule of 85 retirement, and early retirement to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously, all active retirements were assumed to commence benefits immediately.

The marital assumption was updated based on recent experience. 80 percent of male members and 75 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 100 percent of members were assumed to be married or to have a dependent beneficiary. Additionally, for female members, the assumption for their spouse's age changed from 2 years older to 3 years older.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

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

	Target Asset Allocation %	Long-Term Expected Real Rate of Return % (Geometric Basis)
Public Equity	22.0%	4.4%
Private Equity	14.0	7.6
Fixed Income - Ex Inflation-Linked	20.0	1.9
Fixed Income - Inflation-Linked	7.0	.5
Commodities	8.0	1.6
Real Estate	7.0	5.8
Absolute Return	10.0	2.9
Risk Parity	12.0	5.5

Discount Rate. The discount rate used to measure the total pension liability was 6.75% as of June 30, 2020 and is equal to the long-term expected return on plan investments.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teacher's Retirement Plan (cont.)

Sensitivity of the School's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the School's proportional share of the net pension asset calculated using the discount rate of 6.75 percent, as well as what the School's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease to Discount Rate (5.75%)	Current Discount Rate (6.75%)	1% Increase to Discount Rate (7.75%)
School Corporation's proportionate share of the net pension (asset) liability	\$24,896,354	\$1,628,479	\$(17,187,630)

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

http://www.in.gov/inprs/files/INPRSConsolidatedAR_FY20.pdf

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teachers' Pre-96 Retirement Fund

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

The state of Indiana assumes 100% of the net pension liability for the plan. The net pension liability associated with MSD Wayne School Corporation is \$147,763,910.

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

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

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

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.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teachers' Pre-96 Retirement Fund (cont.)

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

Retirement Benefits - Disability and Survivor Benefits. The Pre-96 TRF Plan also provides disability and survivor benefits. A member who has at least five (5) years of creditable service and becomes disabled while in active service, on FMLA leave, receiving workers' compensation benefits, or receiving employer-provided disability insurance benefits may retire for the duration of the disability, if the member has qualified for social security disability benefits and has furnished proof of the qualification. Pre-96 TRF classroom disability may be available for those who do not qualify for social security disability guidelines. The disability benefit is calculated the same as that for a normal retirement without reduction for early retirement. The minimum benefit is \$180 per month, or the actuarial equivalent.

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

Contributions The Pre-96 TRF Plan is funded 100% from the State of Indiana through reimbursement of grants.

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Indiana Public Retirement System (INPRS) and additions to/deductions from INPRS's fiduciary net position have been determined on the same basis as they are reported by INPRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. At June 30, 2021, the net pension liability is assumed by the State of Indiana and the School does not report any liability for the pension liability.

For the year ended June 30, 2021, the School recognized on behalf revenues and expenses of \$7,726,042 for the Pre-96 TRF Fund. No amounts were recognized for deferred outflows of resources and deferred inflows of resources.

For the year ended June 30, 2021, the School recognized \$22,658,244 of non-employer contributing entity contributions and expenditures in the Education Fund.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Teachers' Pre-96 Retirement Fund (cont.)

Actuarial Assumptions. The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.25%
Salary increases, including inflation:	2.75%-12.00% based on years of service
Cost of Living Increases:	2020-2021 - 13th check Beginning January 1, 2022 - 0.40% Beginning January 1, 2034 - 0.50% Beginning January 1, 2039 - 0.60%
Mortality:	Pub-2010 Public Retirement Plans Mortality Tables with a fully generational project of mortality improvements using SOA Scale MP-2019.

The actuarial assumptions used in the June 30, 2021 valuation of the Teachers' Pre-1996 Defined Benefit Account were adopted by the INPRS Board in June 2020. The majority of the actuarial and methods are based on plan experience from July 1, 2014 through June 30, 2019 and were first used in the June 30, 2020 valuation. The INPRS Board adopted a funding policy in April 2014, and the policy was last updated in October 2018.

The June 30, 2019 valuations, the COLA assumption was changed due to passage of Senate Enrolled Act No. 373. In lieu of a 1.0 percent COLA beginning on January 1, 2020, INPRS assumes that the COLA will be replaced by a 13th check for 2020 and 2021. The COLA assumption thereafter, would be 0.4 percent beginning on January 1, 2022, change to 0.5 percent beginning on January 1, 2034, and ultimately 0.6 percent beginning on January 1, 2039.

Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from units will be made at contractually required rates, actuarially determined.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

B. RISK MANAGEMENT AND SELF-INSURANCE

The School Corporation may be 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; and natural disasters. These risks can be mitigated through the purchase of insurance, establishment of a self insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the School Corporation to set aside money for claim settlements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. Self insurance is being provided for health, prescription, and dental benefits. Commercial insurance is being provided for workers compensation and general liability.

Claims Liability

	<u>Current Year</u>	<u>Prior Year</u>
Unpaid claims - beginning of year	\$ 1,023,285	\$ 1,413,774
Current year claims and changes in estimates	10,289,362	9,863,906
Claim payments	<u>10,083,084</u>	<u>10,254,395</u>
Unpaid claims - end of year	<u>\$ 1,229,563</u>	<u>\$ 1,023,285</u>

C. COMMITMENTS AND CONTINGENCIES

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

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

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

The School Corporation has active construction projects as of June 30, 2021. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS

GENERAL INFORMATION ABOUT THE OPEB PLAN

Plan description. The School Corporation's single employer defined benefit OPEB plan provides OPEB medical and prescription drug OPEB benefits until Medicare eligibility once they attain the age of 50 with 15 years of service.

Management Employees. Management employees contracted prior to July 1, 2004 who retire on/after age 55 with 15 years of service are eligible to receive free retiree health benefits (medical and prescription drug) until Medicare eligibility. Those who retire prior to age 55 are required to pay the full cost of coverage. Management employees who are contracted on/after July 1, 2004 are allowed to enroll in the District's group health plans at retirement by paying the full cost of coverage.

Teachers. Teachers who were hired prior to June 2, 2003 and had 15 years of service as of this date, who retire on/after age 55 with 10 years of service receive the following Board subsidy:

- Single – lesser of (a) 99% of premium or (b) \$273.37 per month
- Member / Spouse – lesser of (a) 95% of premium or (b) \$716.18 per month

Teachers who retire prior to age 55 with 10 years of service are required to pay the full cost of coverage. Teachers who were hired on/after June 2, 2003 or had less than 15 years of service as of this date are allowed to enroll in the District's group health plans at retirement by paying the full cost of coverage.

Support Staff. Support Staff employees are allowed to enroll in the District's group health plans at retirement by paying the full cost of coverage.

The school corporation also offers longevity packages for management, teachers, and support staff at different rates and amounts based on hire date and years of service.

Lastly, the school corporation offers severance packages to management and teachers, based on years of service and hire date.

MSD of Wayne Township has two separate Trusts to fund the retiree benefits:

- VEBA Trust for funding retiree health benefits for Management and Teachers.
- 457 Trust for funding longevity and severance benefits for Management and Teachers.

A lump sum contribution was made at the inception of the Trust and there have not been any funding contributions made by the School Corporation into either Trusts since then. Benefits are being paid from both Trusts.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Employees covered by benefit terms. At June 30, 2021, the following employees were covered by the benefit terms:

Retiree Participants	57
Active Participants	2,090
Total Participants	2,147

NET OPEB ASSET

The School Corporation's net OPEB asset of \$6,607,058 was measured as of June 30, 2021, and was determined by an actuarial valuation as of June 30, 2020 that was rolled forward to June 30, 2021.

Actuarial assumptions and other inputs. The total OPEB asset in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50% per year
Salary increases	Payroll growth is based on TRF actuarial valuation as of 6-30-19. Percentage increases range from 2.5% to 12.5% based on years of service
Healthcare cost trend rates	7.5% in 2022, trending down to 4.5% in 2028 and later
Retirees' share of benefit-related costs	Retiree contributions are assumed to increase according to health care trends

The discount rate of 6% was based on a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	L/T Expected Real ROR
Equities	60%	7.92%
Fixed Income	35%	3.50%
Cash & Equivalents	5%	0.50%
Total	100%	6.00%

The final equivalent single discount rate used for this year's valuation is 6.00%. The Trust is fully funded and expected to be able to pay all future benefit payments with no additional contributions.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Mortality Assumptions:

- Management and Support Staff: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019
- Teachers: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2019
- Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019

No experience study was conducted for the actuarial valuation.

CHANGES IN THE NET OPEB LIABILITY (ASSET)

	Total OPEB Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at June 30, 2020	\$ 6,078,466	\$ 10,883,116	\$ (4,804,650)
Changes for the year:			
Service cost	181,955		181,955
Interest	337,844		337,844
Net investment income		2,680,074	(2,680,074)
Differences between expected and actual experience	292,174		292,174
Trust administrative expenses		(65,693)	65,693
Benefit payments	<u>(1,277,980)</u>	<u>(1,277,980)</u>	<u>-</u>
Net changes	<u>(466,007)</u>	<u>1,336,401</u>	<u>(1,802,408)</u>
Balances at June 30, 2021	<u>5,612,459</u>	<u>12,219,517</u>	<u>(6,607,058)</u>

Sensitivity of the net OPEB liability (asset) to changes in the discount rate. The following presents the net OPEB liability (asset) of the School Corporation, as well as what the School Corporation's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00 percent) or 1-percentage-point higher (7.00 percent) than the current discount rate:

	1% Decrease (5.00%)	Discount Rate (6.00%)	1% Increase (7.00%)
Net OPEB liability (asset)	\$ (6,118,584)	\$ (6,607,058)	\$ (7,043,353)

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rates. The following presents the net OPEB liability (asset) of the School Corporation, as well as what the School Corporation's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	1% Decrease (6.5%) Decreasing to <u>3.5%)</u>	Healthcare Cost Trend Rates (7.5%) Decreasing to <u>4.5%)</u>	1% Increase (8.5%) Decreasing to <u>5.5%)</u>
Net OPEB liability (asset)	\$ (7,122,370)	\$ (6,607,058)	\$ (6,008,553)

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

For the year ended June 30, 2021, the School Corporation recognized OPEB expense of \$190,172. At June 30, 2021, the School Corporation reported the following deferred outflows or inflows of resources related to OPEB.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 910,467	\$ -
Net difference between projected and actual earnings in OPEB plan investments	-	1,612,473
Changes of assumptions or other inputs	<u>87,441</u>	<u>-</u>
Total	<u>\$ 997,908</u>	<u>\$ 1,612,473</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE IV - OTHER INFORMATION (cont.)

D. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The balances as of June 30, 2021 of the deferred outflows of resources will be recognized in OPEB expense in the future fiscal years as noted below:

<u>Year Ended June 30</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
2022	\$ (162,400)
2023	(162,400)
2024	(162,399)
2025	(176,060)
2026	48,694

E. SUBSEQUENT EVENT

Bond Issuance

The Marion County School Building Corporation issued \$81,135,000 in bonds on April 28th, 2022, to be used to finance the 2022 Equity, Efficiency, and Improvement Project, including the renovation of and improvements to school facilities throughout the school corporation.

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

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

- > Statement No. 87, *Leases*
- > Statement No. 91, *Conduit Debt Obligations*
- > Statement No. 93, *Replacement of Interbank Offered Rates*
- > Statement No. 94, *Public Private and Public-Public Partnerships and Availability Payment Arrangements*
- > Statement No. 96, *Subscription-Based Information Technology Arrangements*
- > Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

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

REQUIRED SUPPLEMENTARY INFORMATION

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SCHOOL'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 Public Employees' Retirement Fund
 Last 10 Fiscal Years*

<u>Fiscal Year Ended **</u>	<u>Proportion of the Net Pension Liability</u>	<u>Proportionate Share of the Net Pension Liability</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>
June 30, 2020	0.57992%	\$ 17,515,870	\$ 31,307,524	55.9%
June 30, 2019	0.57094%	18,869,931	29,746,487	63.4%
June 30, 2018	0.58015%	19,707,958	29,602,673	66.6%
June 30, 2017	0.58610%	26,149,106	29,077,381	89.9%
June 30, 2016	0.57061%	25,896,818	27,347,089	94.7%
June 30, 2015	0.56423%	22,980,535	27,025,477	85.0%
June 30, 2014	0.52197%	13,717,033	25,483,910	53.8%

Notes:

* Information presented for the years information is available.

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

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

<u>Fiscal Year Ended **</u>	<u>Proportion of the Net Pension Liability (Asset)</u>	<u>Proportionate Share of the Net Pension Liability (Asset)</u>	<u>Actual Covered Member Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>
June 30, 2020	0.0208938	\$ 1,628,479	\$ 72,074,769	2.3%
June 30, 2019	0.0208001	(2,988,125)	67,811,333	-4.4%
June 30, 2018	0.0207450	2,296,377	65,064,047	3.5%
June 30, 2017	0.0202398	13,402,729	61,112,760	21.9%
June 30, 2016	0.0199496	15,571,069	57,462,309	27.1%
June 30, 2015	0.0204503	10,768,678	56,050,325	19.2%
June 30, 2014	0.0204026	970,161	52,800,244	1.8%

Notes:

* Information presented for the years information is available.

** The data provided in this schedule is as of the measurement date of INPRS (TRF) net pension liability.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF SCHOOL CONTRIBUTIONS
 Public Employees' Retirement Fund
 Last 10 Fiscal Years*

Fiscal Year Ended **	Statutorily Required Contribution Percentage	Actual Employer Contributions	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2020	11.20%	\$ 3,495,504	\$ 31,307,524	11.17%
June 30, 2019	11.20%	3,331,316	29,746,487	11.20%
June 30, 2018	11.20%	3,315,857	29,602,673	11.20%
June 30, 2017	11.20%	3,251,977	29,077,381	11.18%
June 30, 2016	11.20%	3,058,391	27,347,089	11.18%
June 30, 2015	11.20%	3,019,938	27,025,477	11.17%

Notes:

* Information presented for the years information is available.

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF SCHOOL CONTRIBUTIONS
 Teachers' Retirement Fund
 Last 10 Fiscal Years*

Fiscal Year Ended **	Statutorily Required Contribution Percentage	Actual Employer Contributions	Actual Covered Member Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2020	5.50%	\$ 3,952,366	\$ 72,074,769	5.48%
June 30, 2019	7.50%	5,084,010	67,811,333	7.50%
June 30, 2018	7.50%	4,879,810	65,064,047	7.50%
June 30, 2017	7.50%	4,583,451	61,112,760	7.50%
June 30, 2016	7.50%	4,309,669	57,462,309	7.50%
June 30, 2015	7.50%	4,248,243	56,050,325	7.58%

Notes:

* Information presented for the years information is available.

** The data provided in this schedule is as of the measurement date of INPRS (TRF) net pension liability.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET OPEB LIABILITY

Last 10 Years*

NET OPEB LIABILITY	Fiscal Year Ended	
	June 30, 2021	June 30, 2020
TOTAL OPEB LIABILITY		
Service cost	\$ 181,955	\$ 173,706
Interest	337,844	369,801
Changes in benefit terms	-	(990,961)
Changes in assumptions	-	131,161
Differences between expected and actual experience	292,174	1,000,485
Benefit payments	<u>(1,277,980)</u>	<u>(1,173,637)</u>
Net change in total pension liability	(466,007)	(489,445)
 Total OPEB liability - beginning of year	 <u>6,078,466</u>	 <u>6,567,911</u>
Total OPEB liability - end of year	<u>\$ 5,612,459</u>	<u>\$ 6,078,466</u>
 PLAN FIDUCIARY NET POSITION		
Net Investment income	\$ 2,680,074	\$ 587,304
Benefit payments	(1,277,980)	(1,173,637)
Trust administrative expenses	<u>(65,693)</u>	<u>(69,798)</u>
Net change in Plan Fiduciary Net Position	1,336,401	(656,131)
 Plan fiduciary net position - beginning of year	 <u>10,883,116</u>	 <u>11,539,247</u>
Plan fiduciary net position - end of year	<u>\$ 12,219,517</u>	<u>\$ 10,883,116</u>
 Net OPEB Liability (Asset)	 <u>\$ (6,607,058)</u>	 <u>\$ (4,804,650)</u>

Notes to Schedule:

* Information presented for the years information is available.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NET OPEB LIABILITY
Last 10 Years*

	Fiscal Year Ended	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
1. Total OPEB Liability (1)	\$ 5,612,459	\$ 6,078,466
2. Plan Fiduciary Net Position (2)	<u>12,219,517</u>	<u>10,883,116</u>
3. Net OPEB Liability (Asset) (3)	<u>\$ (6,607,058)</u>	<u>\$ (4,804,650)</u>
4. Plan Fiduciary Net Position as a Percentage of Total OPEB Liability = (2) / (1)	217.7%	179.0%
5. Covered Payroll (5)	\$ 123,313,459	\$ 104,718,303
6. Total OPEB Liability as a Percentage of Covered Payroll = (3) / (5)	-5.4%	-4.6%

See notes to required supplementary information

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

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

OPEB Contributions	Fiscal Year Ended	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Actuarially determined contribution	\$ 1,277,980	\$ 1,173,637
Actual employer contributions	-	-
Contribution deficiency	<u>\$ 1,277,980</u>	<u>\$ 1,173,637</u>
Covered payroll	\$ 123,313,459	\$ 104,718,303
Contributions as a percentage of covered - employee payroll	0.0%	0.0%

Notes to schedule:

* Information presented for the years information is available.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF EMPLOYER'S SHARE OF NONEMPLOYER CONTRIBUTING ENTITY CONTRIBUTIONS Pre-96 Teacher Retirement Fund Last 10 Fiscal Years*

<u>Year Ended **</u>	Employer Share of Nonemployer Contributing Entity Contributions
June 30, 2020	\$ 13,921,663
June 30, 2019	13,485,122
June 30, 2018	12,862,533

Notes:

* Information presented for the years information is available.

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

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - NON-GAAP BASIS
 EDUCATION FUND
 For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 127,392,164	\$ 127,738,682	\$ 123,849,415	\$ (3,889,267)
Miscellaneous	3,059,500	2,634,039	643,925	(1,990,114)
Total Revenues	130,451,664	130,372,721	124,493,340	(5,879,381)
Expenditures:				
General Government				
Instruction				
Personal services	85,140,540	86,123,519	81,806,241	4,317,278
Supplies	1,315,031	1,067,656	957,654	110,002
Other services and charges	7,943,824	6,914,820	5,351,593	1,563,227
Support services				
Personal services	17,996,399	18,223,396	16,936,661	1,286,735
Supplies	205,113	257,689	204,404	53,285
Other services and charges	335,954	295,784	152,534	143,250
Community services				
Personal services	1,011,573	1,127,588	1,127,588	-
Total Expenditures	113,948,434	114,010,452	106,536,675	7,473,777
Excess (deficiency) of revenues over (under) expenditures	16,503,230	16,362,269	17,956,665	1,594,396
Other Financing Sources (Uses):				
Transfers in	-	500,000	-	(500,000)
Transfers out	(2,895,723)	(2,895,723)	-	2,895,723
Total Other Financing Sources (Uses)	(2,895,723)	(2,395,723)	-	2,395,723
Net Changes in Fund Balances	13,607,507	13,966,546	17,956,665	3,990,119
Fund Balance - Beginning	22,037,905	22,037,905	22,037,905	-
Fund Balance - Ending	\$ 35,645,412	\$ 36,004,451	\$ 39,994,570	\$ 3,990,119

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - NON-GAAP BASIS
 OPERATIONS FUND
 For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property tax	\$ 6,446,190	\$ 6,797,108	\$ 6,797,108	-
Intergovernmental	1,283,972	6,060,209	5,999,209	(61,000)
Interest	-	395,078	395,078	-
Miscellaneous	212,500	1,234,235	812,551	(421,684)
Total Revenues	7,942,662	14,486,630	14,003,946	(482,684)
Expenditures:				
General Government				
Instruction				
Support services				
Personal services	17,663,888	17,264,323	12,135,794	5,128,529
Supplies	6,565,375	5,988,365	4,343,833	1,644,532
Other services and charges	3,456,118	4,070,911	3,274,013	796,898
Capital outlays	-	109,408	109,408	-
Community services				
Personal services	102,200	101,567	40,460	61,107
Supplies	-	575	575	-
Other services and charges	500	558	58	500
Facilities acquisition and construction				
Capital outlays	50,000	449,543	98,160	351,383
Debt services				
Other services and charges	366,707	366,707	366,707	-
Capital outlays	788,620	788,620	788,612	8
Total Expenditures	28,993,408	29,140,577	21,157,620	7,982,957
Excess (deficiency) of revenues over (under) expenditures	(21,050,746)	(14,653,947)	(7,153,674)	7,500,273
Other Financing Sources (Uses):				
Transfers in	19,000,000	19,000,000	-	(19,000,000)
Total Other Financing Sources (Uses)	19,000,000	19,000,000	-	(19,000,000)
Net Changes in Fund Balances	(2,050,746)	4,346,053	(7,153,674)	(11,499,727)
Fund Balance (Deficit) - Beginning	(10,168,699)	(10,168,699)	(10,168,699)	-
Fund Balance (Deficit) - Ending	<u>\$ (12,219,445)</u>	<u>\$ (5,822,646)</u>	<u>\$ (17,322,373)</u>	<u>\$ (11,499,727)</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - NON-GAAP BASIS
 REFERENDUM - 2015
 For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property tax	\$ 22,240,661	\$ 11,399,402	\$ 11,399,402	-
Intergovernmental	738,015	810,691	804,880	(5,811)
Miscellaneous	-	843,766	843,766	-
Total Revenues	22,978,676	13,053,859	13,048,048	(5,811)
Expenditures:				
General Government				
Support services				
Personal services	4,328,500	6,691,946	7,591,257	(899,311)
Supplies	250,000	2,415,683	2,770,901	(355,218)
Other services and charges	3,900,000	2,680,500	3,022,577	(342,077)
Capital outlays	-	-	34,200	(34,200)
Facilities acquisition and construction				
Other services and charges	12,574	12,574	12,574	-
Capital outlays	-	-	71,743	(71,743)
Total Expenditures	8,491,074	11,800,703	13,503,252	(1,702,549)
Net changes in fund balances	14,487,602	1,253,156	(455,204)	1,696,738
Fund Balance - Beginning	15,055,020	15,055,020	15,055,020	-
Fund Balance - Ending	<u>\$ 29,542,622</u>	<u>\$ 16,308,176</u>	<u>\$ 14,599,816</u>	<u>\$ (1,708,360)</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE - NON-GAAP BASIS
 REFERENDUM - 2019
 For the Year Ended December 31, 2020

	Budgeted Amounts		Actual Budgetary Basis Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property tax	-	\$ 11,399,402	\$ 11,399,402	-
Intergovernmental	-	799,069	804,880	(5,811)
Miscellaneous	-	2,771	2,771	-
Total Revenues	-	12,201,242	12,207,053	(5,811)
Expenditures:				
General Government				
Instruction				
Personal services	3,172,230	7,743,197	7,742,751	446
Supplies	52,097	107,257	107,167	90
Other services and charges	97,050	31,685	31,735	(50)
Support services				
Personal services	974,450	1,316,874	1,316,824	50
Supplies	878,040	870,779	28,287	842,492
Other services and charges	20,500	5,857	5,147	710
Community services				
Personal services	5,606	448,543	448,543	-
Total Expenditures	5,199,973	10,524,192	9,680,454	843,738
Net changes to fund balances	(5,199,973)	1,677,050	2,526,599	(849,549)
Fund Balance - Beginning	3,385,233	3,385,233	3,385,233	-
Fund Balance - Ending	<u>\$ (1,814,740)</u>	<u>\$ 5,062,283</u>	<u>\$ 5,911,832</u>	<u>\$ 849,549</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

REQUIRED SUPPLEMENTARY INFORMATION
BUDGET/GAAP RECONCILIATION
For the Year Ended December 31, 2020

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

- a. Revenue are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP)
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP)

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	<u>Education</u>	<u>Operations</u>	<u>Referendum - 2015</u>	<u>Referendum - 2019</u>
Net changes in fund balances (budgetary basis)	\$ 17,956,665	\$ (7,153,674)	\$ (455,204)	\$ 2,526,599
Adjustments				
Net change in fund balance Jan - June 2020	(8,559,976)	9,352,954	(4,375,073)	(3,385,236)
Net change in fund balance Jan - June 2021	13,247,736	(3,463,723)	(3,883,063)	2,031,427
Net change in transfers	(4,221,081)	6,257,201	(2,000,000)	-
To adjust revenues for accruals	12,259	30,964	1,000	-
To adjust expenditures for accruals	<u>(423,057)</u>	<u>(120,649)</u>	<u>(182,633)</u>	<u>(453,154)</u>
Net change in fund balances (GAAP basis)	<u>\$ 18,012,546</u>	<u>\$ 4,903,073</u>	<u>\$ (10,894,973)</u>	<u>\$ 719,636</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

I. Budgets and Budgetary Accounting

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

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

Major fund:

- Operations
- Referendum - 2015
- Referendum - 2019
- Debt Service
- Education
- Construction
- Building Corporation Debt Service

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

II. Pension Plans

PERF Plan:

Actuarial cost method	Entry age normal (level percent of payroll)
Experience study date	Period of 5 years ended June 30, 2019
Investment rate of return	6.75%, net of investment expense, including inflation
Asset valuation method	Five-year smoothing of gains and losses on the Fair Value of Assets.
Inflation	2.25%
Salary increases	2.50% to 8.75% based on age
Mortality	Pub 2010 Public Retirement Plans Mortality Table with fully generational improvements using SOA scale MP-2019

Change in Assumptions. The future salary increase assumption changed from an age-based table ranging from 2.50 percent to 4.25 percent to a service-based table ranging from 2.75 percent to 8.75 percent.

The mortality assumption changed from the RP-2014 (with MP-2014 improvement removed) Total Data Set Mortality Tables 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 to the Pub-2010 Public Retirement Plans Mortality Tables with a fully generational projection of mortality improvements using SOA Scale MP-2019. Specific mortality table variants and adjustments are used for different subpopulations.

The retirement assumption was updated based on recent experience and was updated from an age- and service-based table to an age-based table dependent on eligibility for a reduced benefit or unreduced benefit. Additionally, for actives who are eligible for early retirement (reduced benefit), 30 percent are now assumed to commence benefits immediately and 70 percent are assumed to commence benefits at unreduced retirement eligibility. Previously 33 percent of actives were assumed to commence benefits with early retirement while 67 percent were assumed to wait for unreduced retirement eligibility.

The termination assumption was updated based on recent experience. For state members the tables were combined from being split by salary and sex to being one unisex service-based table. For members in political subdivisions earning more than \$20,000, the sex-distinct tables were combined to one unisex service-based table. For members in political subdivisions earning less than \$20,000, the sex-distinct age-based table was maintained and the rates were updated based on experience.

The disability assumption was updated based on recent experience study.

The marital assumption was updated based on recent experience. 80 percent of male members and 65 percent of female members are assumed to be married or to have a dependent beneficiary. Previously, 75 percent of male members and 60 percent of female members were assumed to be married or to have a dependent beneficiary.

The load placed on the final average earnings to account for additional wages received upon termination, such as severance pay or unused sick leave, decreased from \$400 to \$200.

Plan Amendments. There were no changes in the plan provisions during the fiscal year.

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

TRF Plan:

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

PRE 96 TRF plan:

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

III. OPEB Plan:

Cost method	Entry Age Normal Level % of Salary method
Amortization method	Level Dollar
Attribution period	29 years
Assumptions	
Discount rate	6.00% per annum
Discount rate basis	Building Block Method
Inflation rate	2.50% per annum
Investment return	6.00%
Disability	None assumed
Mortality and mortality improvement	Management and Support Staff: SOA Pub-2010 General Headcount Weighted Mortality Table fully Generational using Scale MP-2019 Teachers; SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2019 Surviving Spouses: SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019
Coverage rate	
Management:	30% if they retire prior to 55 and 100% if after 55
Teachers:	30% if they retire prior to age 55, 70% if after 55
Support Staff:	20%

Retirement rates are based on MSD of Wayne Township historical retirement in 2011/12 through 2015/16. Rates by group are shown below:

SUPPLEMENTARY INFORMATION

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non-Major Funds
ASSETS				
Cash and cash equivalents	\$ 9,133,316	\$ 2,955,158	\$ 8,093,072	\$ 20,181,546
Receivables				
Accounts	206,008	-	-	206,008
Intergovernmental	2,789,283	-	-	2,789,283
Investments	4,831,449	-	-	4,831,449
	<u>16,960,056</u>	<u>2,955,158</u>	<u>8,093,072</u>	<u>28,008,286</u>
Total Assets	\$	\$	\$	\$
LIABILITIES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 53,763	-	\$ 3,558,690	\$ 3,612,453
Accrued wages and payroll withholding	1,797,375	-	-	1,797,375
Due to other funds	4,792,855	14,900	2,424,929	7,232,684
	<u>6,643,993</u>	<u>14,900</u>	<u>5,983,619</u>	<u>12,642,512</u>
Total Liabilities				
Fund Balances				
Restricted	11,410,747	2,955,158	6,061,847	20,427,752
Committed	2,474,393	-	-	2,474,393
Unassigned (deficit)	(3,569,077)	(14,900)	(3,952,394)	(7,536,371)
	<u>10,316,063</u>	<u>2,940,258</u>	<u>2,109,453</u>	<u>15,365,774</u>
Total Fund Balances				
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,960,056</u>	<u>\$ 2,955,158</u>	<u>\$ 8,093,072</u>	<u>\$ 28,008,286</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non-Major Funds
REVENUES				
Local sources	\$ 10,285,928	\$ 1,797	\$ 447,358	\$ 10,735,083
State sources	4,328,836	-	-	4,328,836
Federal sources	30,201,786	-	-	30,201,786
Other	778,046	-	-	778,046
Total Revenues	<u>45,594,596</u>	<u>1,797</u>	<u>447,358</u>	<u>46,043,751</u>
EXPENDITURES				
Current				
Instruction	26,767,901	42,075	276,169	27,086,145
Support services	9,634,451	70,950	192,386	9,897,787
Community services	9,964,927	56,065	-	10,020,992
Facilities acquisition and construction	96,172	88,622	26,344,971	26,529,765
Nonprogrammed charges	4,702,297	959	-	4,703,256
Debt Service				
issuance costs and other	-	18,000	-	18,000
Total Expenditures	<u>51,165,748</u>	<u>276,671</u>	<u>26,813,526</u>	<u>78,255,945</u>
Deficiency of revenues over expenditures	<u>(5,571,152)</u>	<u>(274,874)</u>	<u>(26,366,168)</u>	<u>(32,212,194)</u>
OTHER FINANCING SOURCES (USES)				
Debt proceeds	-	4,000,000	-	4,000,000
Loan proceeds	1,689,085	-	-	1,689,085
Premiums on bonds	-	176,855	-	176,855
Transfer in	196,421	477,955	4,888,823	5,563,199
Transfer out	<u>(36,120)</u>	<u>(1,169,474)</u>	<u>-</u>	<u>(1,205,594)</u>
Total Other Financing Sources (Uses)	<u>1,849,386</u>	<u>3,485,336</u>	<u>4,888,823</u>	<u>10,223,545</u>
Net change in fund balance	(3,721,766)	3,210,462	(21,477,345)	(21,988,649)
FUND BALANCE (DEFICIT) -				
Beginning of Year	<u>12,831,477</u>	<u>(270,204)</u>	<u>23,586,798</u>	<u>36,148,071</u>
Prior Period Adjustment (See Note III.H)	<u>1,206,352</u>	<u>-</u>	<u>-</u>	<u>1,206,352</u>
Fund Balance (Deficit) Beginning of year, As Restated	<u>14,037,829</u>	<u>(270,204)</u>	<u>23,586,798</u>	<u>37,354,423</u>
FUND BALANCE - END OF YEAR	<u>\$ 10,316,063</u>	<u>\$ 2,940,258</u>	<u>\$ 2,109,453</u>	<u>\$ 15,365,774</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2021

	Textbook Rental	Levy Excess	Wellness Program	ESEC	Cell Tower
ASSETS					
Cash and cash equivalents	\$ 696,945	-	\$ 46,775	\$ 53,590	\$ 63,456
Receivables					
Accounts	29,024	-	-	2,131	5,748
Intergovernmental	-	-	-	-	-
Investments	567,690	-	-	-	-
Total Assets	\$ 1,293,659	\$ -	\$ 46,775	\$ 55,721	\$ 69,204
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	-	\$ 13,401	-
Accrued wages and payroll withholding	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	-	-	-	13,401	-
Fund Balances					
Restricted	1,293,659	-	-	-	-
Committed	-	-	46,775	42,320	69,204
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	1,293,659	-	46,775	42,320	69,204
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,293,659	-	\$ 46,775	\$ 55,721	\$ 69,204

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2021

	Wayne Sports Park	Sanders COOP Funds	Child Care Grants	Library - Lilly RO	2019-20 Library Grant
ASSETS					
Cash and cash equivalents	\$ 279,350	-	\$ 426,101	\$ 5,216	-
Receivables					
Accounts	-	-	23,744	-	-
Intergovernmental	-	-	-	-	-
Investments	227,542	-	159,028	-	-
	<u>227,542</u>	<u>-</u>	<u>159,028</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 506,892</u>	<u>\$ -</u>	<u>\$ 608,873</u>	<u>\$ 5,216</u>	<u>-</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	\$ 4,818	-	-	-
Accrued wages and payroll withholding	-	196,519	42,963	-	-
Due to other funds	-	337,981	-	-	-
	<u>-</u>	<u>337,981</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>539,318</u>	<u>42,963</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	-	-	565,910	5,216	-
Committed	506,892	-	-	-	-
Unassigned (deficit)	-	(539,318)	-	-	-
	<u>-</u>	<u>(539,318)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>506,892</u>	<u>(539,318)</u>	<u>565,910</u>	<u>5,216</u>	<u>-</u>
	<u>\$ 506,892</u>	<u>-</u>	<u>\$ 608,873</u>	<u>\$ 5,216</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 506,892</u>	<u>-</u>	<u>\$ 608,873</u>	<u>\$ 5,216</u>	<u>-</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2021

	2020-21 Library Grant	18-21 Fairbanks SE	Technology/Dell	Special Services	PBIS
ASSETS					
Cash and cash equivalents	\$ 4,903	\$ 70,972	\$ 70,723	\$ 227	\$ 23,982
Receivables					
Accounts	-	-	-	220	-
Intergovernmental	-	-	-	-	-
Investments	-	-	-	-	-
Total Assets	<u>\$ 4,903</u>	<u>\$ 70,972</u>	<u>\$ 70,723</u>	<u>\$ 447</u>	<u>\$ 23,982</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	-	-	-
Accrued wages and payroll withholding	-	11,812	-	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>11,812</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	4,903	59,160	70,723	-	23,982
Committed	-	-	-	447	-
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	<u>4,903</u>	<u>59,160</u>	<u>70,723</u>	<u>447</u>	<u>23,982</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 4,903</u></u>	<u><u>\$ 70,972</u></u>	<u><u>\$ 70,723</u></u>	<u><u>\$ 447</u></u>	<u><u>\$ 23,982</u></u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2021

	Naviance	HSE (GED)	2020 Adult Education	ECA Transportation	DECA District 8
ASSETS					
Cash and cash equivalents	\$ 9,243	\$ 975	\$ 187,863	\$ 43,227	\$ 1,054
Receivables					
Accounts	-	161	-	-	-
Intergovernmental	-	-	-	-	-
Investments	-	-	153,022	-	-
Total Assets	<u>\$ 9,243</u>	<u>\$ 1,136</u>	<u>\$ 340,885</u>	<u>\$ 43,227</u>	<u>\$ 1,054</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	\$ 14,228	-	-
Accrued wages and payroll withholding	-	-	4,635	-	-
Due to other funds	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>18,863</u>	<u>-</u>	<u>-</u>
Fund Balances					
Restricted	-	1,136	322,022	-	-
Committed	9,243	-	-	43,227	1,054
Unassigned (deficit)	-	-	-	-	-
Total Fund Balances	<u>9,243</u>	<u>1,136</u>	<u>322,022</u>	<u>43,227</u>	<u>1,054</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 9,243</u></u>	<u><u>\$ 1,136</u></u>	<u><u>\$ 340,885</u></u>	<u><u>\$ 43,227</u></u>	<u><u>\$ 1,054</u></u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2021

	2019-20 WTEF	Impact Youth Program	2019-20 CSFL Tech	E-Rate Technology	Technology Access
ASSETS					
Cash and cash equivalents	\$ 9,193	\$ 238	-	\$ 68,589	\$ 81,117
Receivables					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Investments	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 9,193</u>	<u>\$ 238</u>	<u>-</u>	<u>\$ 68,589</u>	<u>\$ 81,117</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	-	-	\$ 20,297
Accrued wages and payroll withholding	-	-	-	-	-
Due to other funds	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,297</u>
Fund Balances					
Restricted	-	-	-	-	-
Committed	9,193	238	-	68,589	60,820
Unassigned (deficit)	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>9,193</u>	<u>238</u>	<u>-</u>	<u>68,589</u>	<u>60,820</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,193</u>	<u>\$ 238</u>	<u>-</u>	<u>\$ 68,589</u>	<u>\$ 81,117</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS June 30, 2021

	Project Lead the Way	2020-2024 ARPA	2020-2023 CRRSA	2020-2022 Geer	2020 Esser
ASSETS					
Cash and cash equivalents	-	-	-	-	-
Receivables					
Accounts	-	-	-	-	-
Intergovernmental	-	-	1,094,253	-	210,409
Investments	-	-	-	-	-
Total Assets	<u>-</u>	<u>-</u>	<u>\$ 1,094,253</u>	<u>-</u>	<u>\$ 210,409</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	-	-	\$ 125
Accrued wages and payroll withholding	-	5,319	35,959	-	401,041
Due to other funds	-	126,888	2,838,915	37,021	210,409
Total Liabilities	<u>-</u>	<u>132,207</u>	<u>2,874,874</u>	<u>37,021</u>	<u>611,575</u>
Fund Balances					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	(132,207)	(1,780,621)	(37,021)	(401,166)
Total Fund Balances	<u>-</u>	<u>(132,207)</u>	<u>(1,780,621)</u>	<u>(37,021)</u>	<u>(401,166)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>-</u>	<u>-</u>	<u>\$ 1,094,253</u>	<u>-</u>	<u>\$ 210,409</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2021

	2020 Esser Non- Pub	2020 Rapid Reskill	2020 Project Aware	Donation Funds	Child Nutrition Grants
ASSETS					
Cash and cash equivalents	\$ 13,834	\$ 177,428	-	\$ 176,724	\$ 3,254,056
Receivables					
Accounts	-	-	-	11,500	12,615
Intergovernmental	-	-	-	-	303,646
Investments	-	-	-	-	2,637,063
Total Assets	<u>\$ 13,834</u>	<u>\$ 177,428</u>	<u>-</u>	<u>\$ 188,224</u>	<u>\$ 6,207,380</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	-	-	-
Accrued wages and payroll withholding	-	-	-	400	281,276
Due to other funds	-	-	44,185	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>44,185</u>	<u>400</u>	<u>281,276</u>
Fund Balances					
Restricted	13,834	177,428	-	-	5,926,104
Committed	-	-	-	187,824	-
Unassigned (deficit)	-	-	(44,185)	-	-
Total Fund Balances	<u>13,834</u>	<u>177,428</u>	<u>(44,185)</u>	<u>187,824</u>	<u>5,926,104</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 13,834</u></u>	<u><u>\$ 177,428</u></u>	<u><u>-</u></u>	<u><u>\$ 188,224</u></u>	<u><u>\$ 6,207,380</u></u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
June 30, 2021

	Vocational Grants	State Program Funds	Extra-Curricular Funds	Federal Programs	Total Nonmajor Special Revenue Funds
ASSETS					
Cash and cash equivalents	\$ 1,091,904	\$ 650,661	\$ 1,428,567	\$ 196,403	\$ 9,133,316
Receivables					
Accounts	120,865	-	-	-	206,008
Intergovernmental	-	179,804	-	1,001,171	2,789,283
Investments	678,267	408,837	-	-	4,831,449
	<u>678,267</u>	<u>408,837</u>	<u>-</u>	<u>-</u>	<u>4,831,449</u>
Total Assets	<u>\$ 1,891,036</u>	<u>\$ 1,239,302</u>	<u>\$ 1,428,567</u>	<u>\$ 1,197,574</u>	<u>\$ 16,960,056</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	\$ 894	-	-	\$ 53,763
Accrued wages and payroll withholding	96,792	85,982	-	634,677	1,797,375
Due to other funds	-	-	-	1,197,456	4,792,855
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,197,456</u>	<u>4,792,855</u>
Total Liabilities	<u>96,792</u>	<u>86,876</u>	<u>-</u>	<u>1,832,133</u>	<u>6,643,993</u>
Fund Balances					
Restricted	1,794,244	1,152,426	-	-	11,410,747
Committed	-	-	1,428,567	-	2,474,393
Unassigned (deficit)	-	-	-	(634,559)	(3,569,077)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(634,559)</u>	<u>(3,569,077)</u>
Total Fund Balances	<u>1,794,244</u>	<u>1,152,426</u>	<u>1,428,567</u>	<u>(634,559)</u>	<u>10,316,063</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,891,036</u>	<u>\$ 1,239,302</u>	<u>\$ 1,428,567</u>	<u>\$ 1,197,574</u>	<u>\$ 16,960,056</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Textbook Rental	Levy Excess	Wellness Program	ESEC	Cell Tower
REVENUES					
Local sources	\$ 417,686	-	-	\$ 143,725	\$ 52,062
State sources	913,786	-	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	1,331,472	-	-	143,725	52,062
EXPENDITURES					
Current					
Instruction	-	-	-	-	-
Support services	557,060	-	-	131,132	-
Community services	-	-	3,680	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total expenditures	557,060	-	3,680	131,132	-
Excess (deficiency) of revenues over (under) expenditures	774,412	-	(3,680)	12,593	52,062
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	-	-	-	-
Transfer in	196,421	-	-	-	-
Transfer out	-	(36,120)	-	-	-
Total other financing sources (uses)	196,421	(36,120)	-	-	-
Net change in fund balance	970,833	(36,120)	(3,680)	12,593	52,062
FUND BALANCE (DEFICIT) -					
Beginning of year	322,826	36,120	50,455	29,727	17,142
Prior Period Adjustment (See Note III.H)	-	-	-	-	-
Fund Balance (Deficit) - Beginning of year, As Restated	322,826	36,120	50,455	29,727	17,142
FUND BALANCE (DEFICIT) -					
End of year	\$ 1,293,659	\$ -	\$ 46,775	\$ 42,320	\$ 69,204

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Wayne Sports Park	Sanders COOP Funds	Child Care Grants	Library - Lilly RO	2019-20 Library Grant
REVENUES					
Local sources	\$ 90,000	\$ 3,418,809	\$ 495,207	-	-
State sources	-	-	-	-	-
Federal sources	-	-	164,042	-	-
Other	-	-	-	-	-
Total revenues	90,000	3,418,809	659,249	-	-
EXPENDITURES					
Current					
Instruction	-	2,606,082	79,942	-	-
Support services	-	1,015,629	411,079	5,418	5,758
Community services	31,029	-	359,535	-	-
Facilities acquisition and construction	-	4,280	-	-	-
Nonprogrammed charges	-	62,386	-	-	-
Total expenditures	31,029	3,688,377	850,556	5,418	5,758
Excess (deficiency) of revenues over (under) expenditures	58,971	(269,568)	(191,307)	(5,418)	(5,758)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	-	-	-	-
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	58,971	(269,568)	(191,307)	(5,418)	(5,758)
FUND BALANCE (DEFICIT) -					
Beginning of year	447,921	(269,750)	757,217	10,634	5,758
Prior Period Adjustment (See Note III.H)	-	-	-	-	-
Fund Balance (Deficit) - Beginning of year, As Restated	447,921	(269,750)	757,217	10,634	5,758
FUND BALANCE (DEFICIT) -					
End of year	\$ 506,892	\$ (539,318)	\$ 565,910	\$ 5,216	\$ -

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	2020-21 Library Grant	18-21 Fairbanks SE	Technology/Dell	Special Services	PBIS
REVENUES					
Local sources	\$ 30,500	\$ 90,789	-	\$ 360	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	30,500	90,789	-	360	-
EXPENDITURES					
Current					
Instruction	-	171,431	-	-	7,146
Support services	25,597	65,992	3,200	-	-
Community services	-	84	-	142	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total expenditures	25,597	237,507	3,200	142	7,146
Excess (deficiency) of revenues over (under) expenditures	4,903	(146,718)	(3,200)	218	(7,146)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	-	-	-	-
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	4,903	(146,718)	(3,200)	218	(7,146)
FUND BALANCE (DEFICIT) -					
Beginning of year	-	205,878	73,923	229	31,128
Prior Period Adjustment (See Note III.H)	-	-	-	-	-
Fund Balance (Deficit) - Beginning of year, As Restated	-	205,878	73,923	229	31,128
FUND BALANCE (DEFICIT) -					
End of year	\$ 4,903	\$ 59,160	\$ 70,723	\$ 447	\$ 23,982

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Naviance	HSE (GED)	2020 Adult Education	ECA Transportation	DECA District 8
REVENUES					
Local sources	-	\$ 45,463	\$ 400,000	\$ 32,733	-
State sources	-	-	-	-	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	-	45,463	400,000	32,733	-
EXPENDITURES					
Current					
Instruction	-	28,317	385,142	-	-
Support services	-	-	-	38,745	-
Community services	-	-	-	-	2,058
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total expenditures	-	28,317	385,142	38,745	2,058
Excess (deficiency) of revenues over (under) expenditures	-	17,146	14,858	(6,012)	(2,058)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	-	-	-	-
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	-	17,146	14,858	(6,012)	(2,058)
FUND BALANCE (DEFICIT) -					
Beginning of year	9,243	(16,010)	307,164	49,239	3,112
Prior Period Adjustment (See Note III.H)	-	-	-	-	-
Fund Balance (Deficit) - Beginning of year, As Restated	9,243	(16,010)	307,164	49,239	3,112
FUND BALANCE (DEFICIT) -					
End of year	\$ 9,243	\$ 1,136	\$ 322,022	\$ 43,227	\$ 1,054

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	2019-20 WTEF	Impact Youth Program	2019-20 CSFL Tech	E-Rate Technology	Technology Access
REVENUES					
Local sources	\$ 5,000	-	-	\$ 6,214	-
State sources	-	-	-	19,068	-
Federal sources	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	5,000	-	-	25,282	-
EXPENDITURES					
Current					
Instruction	1,271	2,033	-	-	-
Support services	-	-	1,688,695	-	110,683
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-
Total expenditures	1,271	2,033	1,688,695	-	110,683
Excess (deficiency) of revenues over (under) expenditures	3,729	(2,033)	(1,688,695)	25,282	(110,683)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	-	1,689,085	-	-
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total other financing sources (uses)	-	-	1,689,085	-	-
Net change in fund balance	3,729	(2,033)	390	25,282	(110,683)
FUND BALANCE (DEFICIT) -					
Beginning of year	5,464	2,271	(390)	43,307	171,503
Prior Period Adjustment (See Note III.H)	-	-	-	-	-
Fund Balance (Deficit) - Beginning of year, As Restated	5,464	2,271	(390)	43,307	171,503
FUND BALANCE (DEFICIT) -					
End of year	\$ 9,193	\$ 238	\$ -	\$ 68,589	\$ 60,820

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Project Lead the Way	2020-2024 ARPA	2020-2023 CRRSA	2020-2022 Geer	2020 Esser
REVENUES					
Local sources	-	-	-	-	-
State sources	-	-	-	-	-
Federal sources	-	-	1,094,253	1,832,327	4,146,376
Other	-	-	-	-	-
Total revenues	-	-	1,094,253	1,832,327	4,146,376
EXPENDITURES					
Current					
Instruction	-	76,042	2,128,016	-	4,396,453
Support services	2,400	56,165	735,614	1,869,348	148,817
Community services	-	-	-	-	-
Facilities acquisition and construction	-	-	11,244	-	-
Nonprogrammed charges	-	-	-	-	-
Total expenditures	2,400	132,207	2,874,874	1,869,348	4,545,270
Excess (deficiency) of revenues over (under) expenditures	(2,400)	(132,207)	(1,780,621)	(37,021)	(398,894)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	-	-	-	-
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	(2,400)	(132,207)	(1,780,621)	(37,021)	(398,894)
FUND BALANCE (DEFICIT) -					
Beginning of year	2,400	-	-	-	(2,272)
Prior Period Adjustment (See Note III.H)	-	-	-	-	-
Fund Balance (Deficit) - Beginning of year, As Restated	2,400	-	-	-	(2,272)
FUND BALANCE (DEFICIT) -					
End of year	\$ -	\$ (132,207)	\$ (1,780,621)	\$ (37,021)	\$ (401,166)

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	2020 Esser Non- Pub	2020 Rapid Reskill	2020 Project Aware	Donation Funds	Child Nutrition Grants
REVENUES					
Local sources	-	-	-	\$ 170,734	\$ 247,550
State sources	-	-	-	-	32,478
Federal sources	24,911	1,011,000	-	21,036	8,901,751
Other	-	-	-	-	7,826
Total revenues	<u>24,911</u>	<u>1,011,000</u>	<u>-</u>	<u>191,770</u>	<u>9,189,605</u>
EXPENDITURES					
Current					
Instruction	1,836	740,825	-	132,783	-
Support services	9,241	-	44,185	7,878	6,077
Community services	-	-	-	1,115	8,157,828
Facilities acquisition and construction	-	77,400	-	-	-
Nonprogrammed charges	-	15,347	-	389	1,652,589
Total expenditures	<u>11,077</u>	<u>833,572</u>	<u>44,185</u>	<u>142,165</u>	<u>9,816,494</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13,834</u>	<u>177,428</u>	<u>(44,185)</u>	<u>49,605</u>	<u>(626,889)</u>
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	-	-	-	-
Transfer in	-	-	-	-	-
Transfer out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>13,834</u>	<u>177,428</u>	<u>(44,185)</u>	<u>49,605</u>	<u>(626,889)</u>
FUND BALANCE (DEFICIT) -					
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,219</u>	<u>6,552,993</u>
Prior Period Adjustment (See Note III.H)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) - Beginning of year, As Restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>138,219</u>	<u>6,552,993</u>
FUND BALANCE (DEFICIT) -					
End of year	<u>\$ 13,834</u>	<u>\$ 177,428</u>	<u>\$ (44,185)</u>	<u>\$ 187,824</u>	<u>\$ 5,926,104</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS For the Year Ended June 30, 2021

	Vocational Grants	State Program Funds	Extra-Curricular Funds	Federal Programs	Total Nonmajor Special Revenue Funds
REVENUES					
Local sources	\$ 3,894,384	-	\$ 741,828	\$ 2,884	\$ 10,285,928
State sources	-	3,363,504	-	-	4,328,836
Federal sources	22,905	-	-	12,983,185	30,201,786
Other	-	-	770,220	-	778,046
Total revenues	<u>3,917,289</u>	<u>3,363,504</u>	<u>1,512,048</u>	<u>12,986,069</u>	<u>45,594,596</u>
EXPENDITURES					
Current					
Instruction	3,158,304	2,460,427	294,419	10,097,432	26,767,901
Support services	231,669	475,950	181,024	1,807,095	9,634,451
Community services	228,805	159,767	-	1,020,884	9,964,927
Facilities acquisition and construction	3,248	-	-	-	96,172
Nonprogrammed charges	<u>1,572,453</u>	<u>-</u>	<u>1,112,150</u>	<u>286,983</u>	<u>4,702,297</u>
Total expenditures	<u>5,194,479</u>	<u>3,096,144</u>	<u>1,587,593</u>	<u>13,212,394</u>	<u>51,165,748</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,277,190)</u>	<u>267,360</u>	<u>(75,545)</u>	<u>(226,325)</u>	<u>(5,571,152)</u>
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	-	-	-	1,689,085
Transfer in	-	-	-	-	196,421
Transfer out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,120)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,849,386</u>
Net change in fund balance	<u>(1,277,190)</u>	<u>267,360</u>	<u>(75,545)</u>	<u>(226,325)</u>	<u>(3,721,766)</u>
FUND BALANCE (DEFICIT) -					
Beginning of year	<u>3,071,434</u>	<u>885,066</u>	<u>297,760</u>	<u>(408,234)</u>	<u>12,831,477</u>
Prior Period Adjustment (See Note III.H)	<u>-</u>	<u>-</u>	<u>1,206,352</u>	<u>-</u>	<u>1,206,352</u>
Fund Balance (Deficit) - Beginning of year, As Restated	<u>3,071,434</u>	<u>885,066</u>	<u>1,504,112</u>	<u>(408,234)</u>	<u>14,037,829</u>
FUND BALANCE (DEFICIT) -					
End of year	<u>\$ 1,794,244</u>	<u>\$ 1,152,426</u>	<u>\$ 1,428,567</u>	<u>\$ (634,559)</u>	<u>\$ 10,316,063</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DEBT SERVICE FUNDS
June 30, 2021

	Pension Debt Service	2017 First Mortgage	2018 GO Bond	2020 GO Bond	Total Nonmajor Debt Service Funds
ASSETS					
Cash and investments	\$ 885	-	-	\$ 2,954,273	\$ 2,955,158
Total assets	<u>\$ 885</u>	<u>-</u>	<u>-</u>	<u>\$ 2,954,273</u>	<u>\$ 2,955,158</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Due to other funds	-	\$ 14,900	-	-	\$ 14,900
Total liabilities	<u>-</u>	<u>14,900</u>	<u>-</u>	<u>-</u>	<u>14,900</u>
Fund Balances					
Restricted	885	-	-	2,954,273	2,955,158
Unassigned (deficit)	-	(14,900)	-	-	(14,900)
Total fund balances	<u>885</u>	<u>(14,900)</u>	<u>-</u>	<u>2,954,273</u>	<u>2,940,258</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 885</u>	<u>-</u>	<u>-</u>	<u>\$ 2,954,273</u>	<u>\$ 2,955,158</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE NONMAJOR GOVERNMENTAL FUNDS DEBT SERVICE FUNDS For the Year Ended June 30, 2021

	Pension Debt Service	2017 First Mortgage	2018 GO Bond	2020 GO Bond	Total Nonmajor Debt Service Funds
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ 1,797	\$ 1,797
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,797</u>	<u>1,797</u>
EXPENDITURES					
Current					
Instruction	-	37,534	4,541	-	42,075
Support services	-	70,950	-	-	70,950
Community services	-	-	56,065	-	56,065
Facilities acquisition and construction	-	31,664	20,053	36,905	88,622
Nonprogrammed charges	959	-	-	-	959
Debt Service					
Principal paid on debt	-	-	-	-	-
Bond issue costs	-	-	-	18,000	18,000
Interest on debt	-	-	-	-	-
Total Expenditures	<u>959</u>	<u>140,148</u>	<u>80,659</u>	<u>54,905</u>	<u>276,671</u>
Deficiency of revenues under expenditures	<u>(959)</u>	<u>(140,148)</u>	<u>(80,659)</u>	<u>(53,108)</u>	<u>(274,874)</u>
OTHER FINANCING SOURCES (USES)					
Debt proceeds	-	-	-	4,000,000	4,000,000
Premium on bonds	-	-	-	176,855	176,855
Transfer in	-	260,138	217,817	-	477,955
Transfer out	-	-	-	(1,169,474)	(1,169,474)
Total Other Financing Sources (Uses)	<u>-</u>	<u>260,138</u>	<u>217,817</u>	<u>3,007,381</u>	<u>3,485,336</u>
Net change in fund balance	<u>(959)</u>	<u>119,990</u>	<u>137,158</u>	<u>2,954,273</u>	<u>3,210,462</u>
FUND BALANCE (DEFICIT) -					
Beginning of Year	<u>1,844</u>	<u>(134,890)</u>	<u>(137,158)</u>	<u>-</u>	<u>(270,204)</u>
FUND BALANCE (DEFICIT) -					
END OF YEAR	<u>\$ 885</u>	<u>\$ (14,900)</u>	<u>\$ -</u>	<u>\$ 2,954,273</u>	<u>\$ 2,940,258</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
June 30, 2021

	2019 GO Bond	2019 First Mortgage	2021 First Mortgage	2020 First Mortgage	Total Nonmajor Capital Project Funds
ASSETS					
Cash and cash equivalents	\$ 3,214,524	\$ 304,328	-	\$ 4,574,220	\$ 8,093,072
Total assets	<u>\$ 3,214,524</u>	<u>\$ 304,328</u>	<u>-</u>	<u>\$ 4,574,220</u>	<u>\$ 8,093,072</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	-	-	\$ 1,527,465	\$ 2,031,225	\$ 3,558,690
Due to other funds	-	-	<u>2,424,929</u>	-	<u>2,424,929</u>
Total Liabilities	-	-	<u>3,952,394</u>	<u>2,031,225</u>	<u>5,983,619</u>
Fund Balances					
Restricted	3,214,524	304,328	-	2,542,995	6,061,847
Unassigned (deficit)	-	-	<u>(3,952,394)</u>	-	<u>(3,952,394)</u>
Total Fund Balances	<u>3,214,524</u>	<u>304,328</u>	<u>(3,952,394)</u>	<u>2,542,995</u>	<u>2,109,453</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,214,524</u>	<u>\$ 304,328</u>	<u>-</u>	<u>\$ 4,574,220</u>	<u>\$ 8,093,072</u>

METROPOLITAN SCHOOL DISTRICT OF WAYNE TOWNSHIP

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2021

	2019 GO Bond	2019 First Mortgage	2021 First Mortgage	2020 First Mortgage	Total Nonmajor Capital Project Funds
REVENUES					
Local sources	\$ 351,383	\$ -	\$ -	\$ 95,975	\$ 447,358
Total Revenues	<u>351,383</u>	<u>-</u>	<u>-</u>	<u>95,975</u>	<u>447,358</u>
EXPENDITURES					
Current					
Instruction	-	106,921	-	169,248	276,169
Support services	-	186,582	758	5,046	192,386
Facilities acquisition and construction	<u>3,917,847</u>	<u>1,104,678</u>	<u>5,632,751</u>	<u>15,689,695</u>	<u>26,344,971</u>
Total Expenditures	<u>3,917,847</u>	<u>1,398,181</u>	<u>5,633,509</u>	<u>15,863,989</u>	<u>26,813,526</u>
Deficiency of revenues under expenditures	<u>(3,566,464)</u>	<u>(1,398,181)</u>	<u>(5,633,509)</u>	<u>(15,768,014)</u>	<u>(26,366,168)</u>
OTHER FINANCING SOURCES					
Transfer in	<u>-</u>	<u>15,018</u>	<u>1,681,115</u>	<u>3,192,690</u>	<u>4,888,823</u>
Total Other Financing Sources	<u>-</u>	<u>15,018</u>	<u>1,681,115</u>	<u>3,192,690</u>	<u>4,888,823</u>
Net change in fund balance	<u>(3,566,464)</u>	<u>(1,383,163)</u>	<u>(3,952,394)</u>	<u>(12,575,324)</u>	<u>(21,477,345)</u>
FUND BALANCE -					
Beginning of Year	<u>6,780,988</u>	<u>1,687,491</u>	<u>-</u>	<u>15,118,319</u>	<u>23,586,798</u>
FUND BALANCE (DEFICIT) -					
END OF YEAR	<u>\$ 3,214,524</u>	<u>\$ 304,328</u>	<u>\$ (3,952,394)</u>	<u>\$ 2,542,995</u>	<u>\$ 2,109,453</u>

Metropolitan School District of Wayne Township

Report on Federal Awards

June 30, 2021

Metropolitan School District of Wayne Township

Table of Contents

June 30, 2021

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs	11

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors' Report

To the Audit Committee of
Metropolitan School District of Wayne Township, Indiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan School District of Wayne Township, Indiana as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Metropolitan School District of Wayne Township's basic financial statements, and have issued our report thereon dated August 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The School Corporation's Response to Finding

The School Corporation's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Indianapolis, Indiana
August 22, 2022

**Report on Compliance
for Each Major Federal Program;
Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of
Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

To the Audit Committee of
Metropolitan School District of Wayne Township, Indiana

Report on Compliance for Each Major Federal Program

We have audited the Metropolitan School District of Wayne Township, Indiana's (the School Corporation) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the School Corporation's major federal programs for the year ended June 30, 2021. The School Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-002 and 2021-003. Our opinion on each major federal program is not modified with respect to these matters.

School Corporation's Response to Findings

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified a certain deficiency in internal control over compliance that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-003 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

School Corporation's Response to Findings

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Corporation's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Metropolitan School District of Wayne Township, Indiana as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Metropolitan School District of Wayne Township's basic financial statements. We issued our report thereon dated August 22, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Indianapolis, Indiana
August 22, 2022

Metropolitan School District of Wayne Township

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor / Program/Cluster Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Grant Number	Federal Expenditures	Payments Made to Subrecipients
U.S. Department of Agriculture					
<i>Child Nutrition Cluster (M):</i>					
<i>School Breakfast Program:</i>					
COVID-19 - 2020-21 School Breakfast Program	10.553	Indiana Department of Education	FY2021	\$ 6,637	\$ -
<i>Total School Breakfast Program:</i>				<u>6,637</u>	<u>-</u>
<i>National School Lunch Program:</i>					
COVID-19 - 2020-21 National School Lunch Program	10.555	Indiana Department of Education	FY2021	17,224	-
Food Commodities	10.555	Indiana Department of Education	FY2021	888,182	-
<i>Total National School Lunch Program:</i>				<u>905,406</u>	<u>-</u>
<i>Summer Food Service Program for Children:</i>					
COVID-19 - 2020-21 Summer Food Service Program	10.559	Indiana Department of Education	FY2021	8,270,399	-
<i>Total National School Lunch Program:</i>				<u>8,270,399</u>	<u>-</u>
<i>Total Child Nutrition Cluster:</i>				<u>9,182,442</u>	<u>-</u>
<i>Child and Adult Care Food Program:</i>					
2020-21 Child and Adult Care Program	10.558	Indiana Department of Education	FY2021	120,187	-
<i>Total Child and Adult Care Food Program:</i>				<u>120,187</u>	<u>-</u>
<i>Fresh Fruit and Vegetable Program:</i>					
2020-21 Fresh Fruit and Vegetable Program	10.582	Indiana Department of Education	FY2021	183,658	-
<i>Total Fresh Fruit and Vegetable Program:</i>				<u>183,658</u>	<u>-</u>
Total U.S. Department of Agriculture:				<u>\$ 9,486,287</u>	<u>\$ -</u>
U.S. Department of Treasury					
<i>Coronavirus Relief Fund:</i>					
COVID-19 - 2020 Rapid Reskill	21.019	EmployIndy	S2306-RR-19-ABE	\$ 833,572	\$ -
<i>Total Coronavirus Relief Fund:</i>				<u>833,572</u>	<u>-</u>
Total U.S. Department of Treasury:				<u>\$ 833,572</u>	<u>\$ -</u>

See notes to schedule of expenditures of federal awards

Metropolitan School District of Wayne Township

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor / Program/Cluster Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Grant Number	Federal Expenditures	Payments Made to Subrecipients
U.S. Department of Education					
<i>Adult Education - Basic Grants to States:</i>					
2019-20 Adult Ed	84.002	Indiana Department of Workplace Development	5104180P19ABEGR	\$ 112,114	\$ -
2020-21 Adult Ed	84.002	Indiana Department of Workplace Development	5104180P20ABEGR	1,765,086	-
<i>Total Adult Education - Basic Grants to States:</i>				1,877,200	-
<i>Title I Grants to Local Educational Agencies:</i>					
2019-20 Title I	84.010	Indiana Department of Education	S010A190014	603,803	-
2019-20 SIG	84.010	Indiana Department of Education	S010A190014	138,728	-
2020-21 Title I	84.010	Indiana Department of Education	S010A200014	4,212,151	-
<i>Total Title I Grants to Local Educational Agencies:</i>				4,954,682	-
<i>Special Education Cluster (IDEA):</i>					
<i>Special Education - Grants to States:</i>					
IDEA FY19 Part B, Section 611	84.027	Indiana Department of Education	H027A180084	42,221	-
IDEA FY20 Part B, Section 611	84.027	Indiana Department of Education	H027A190084	1,006,528	-
IDEA FY21 Part B, Section 611	84.027	Indiana Department of Education	H027A200084	2,800,409	-
<i>Total Special Education - Grants to States:</i>				3,849,158	-
<i>Special Education - Preschool Grants:</i>					
IDEA FY20 Part B, Section 619	84.173	Indiana Department of Education	H173A190104	5,983	-
IDEA FY21 Part B, Section 619	84.173	Indiana Department of Education	H173A200104	73,688	-
<i>Total Special Education - Preschool Grants:</i>				79,671	-
<i>Total Special Education Cluster (IDEA):</i>				3,928,829	-
<i>Career and Technical Education - Basic Grants to States:</i>					
FY20 CTE Perkins	84.048	Indiana Governor's Workforce Cabinet	20-0512-5375	86,929	-
2019-20 Perkins Assessment	84.048	Indiana Governor's Workforce Cabinet	20-0512-A031	6,930	-
2019-20 Perkins Summer Bridge	84.048	Indiana Governor's Workforce Cabinet	20-0512SB31	64,900	-
FY21 CTE Perkins	84.048	Indiana Governor's Workforce Cabinet	21-0512-5375	624,753	-
2020-21 Perkins Assessment	84.048	Indiana Governor's Workforce Cabinet	21-0512-A031	9,836	-
2020-21 Perkins Assistance	84.048	Indiana Governor's Workforce Cabinet	21-0512-C031	41,494	-
<i>Total Career and Technical Education - Basic Grants to States:</i>				834,842	-

See notes to schedule of expenditures of federal awards

Metropolitan School District of Wayne Township

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor / Program/Cluster Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Grant Number	Federal Expenditures	Payments Made to Subrecipients
U.S. Department of Education (cont'd)					
<i>Education for Homeless Children and Youth:</i>					
19-22 McKinney Vento	84.196	Indiana Department of Education	S196A190015	\$ 48,500	\$ -
<i>Total Education for Homeless Children and Youth:</i>				<u>48,500</u>	<u>-</u>
<i>English Language Acquisition Grants:</i>					
2018-20 Immigrant Influx	84.365	Indiana Department of Education	S365A180014	242	-
Title III 2018-20	84.365	Indiana Department of Education	S365A180014	7,617	-
Title III 2019-21	84.365	Indiana Department of Education	S365A190014	161,175	-
2019-21 Immigrant Influx	84.365	Indiana Department of Education	S365A190014	22,544	-
Title III 2020-22	84.365	Indiana Department of Education	S365A200014	167,599	-
2020-22 Immigrant Influx	84.365	Indiana Department of Education	S365A200014	7,762	-
<i>Total English Language Acquisition Grants:</i>				<u>366,939</u>	<u>-</u>
<i>Supporting Effective Instruction State Grants:</i>					
Title II FY 2018	84.367	Indiana Department of Education	S367A180013	65,364	-
Title II FY 2019	84.367	Indiana Department of Education	S367A190013	539,738	-
2019-20 Title II TL	84.367	Indiana Department of Education	700S367A180013	3,547	-
Title II FY 2020	84.367	Indiana Department of Education	S367A200013	4,105	-
<i>Total Supporting Effective Instruction State Grants:</i>				<u>612,754</u>	<u>-</u>
<i>Student Support and Academic Enrichment Grants:</i>					
2018-20 Title IV	84.424	Indiana Department of Education	S424A180015	33,560	-
2019-21 Title IV	84.424	Indiana Department of Education	S424A190015	96,492	-
2020-21 Title IV	84.424	Indiana Department of Education	S424A200015	127,233	-
<i>Total Student Support and Academic Enrichment Grants:</i>				<u>257,285</u>	<u>-</u>
<i>Education Stabilization Fund (M):</i>					
COVID-19 - 2020 ESSER	84.425D	Indiana Department of Education	S425D200013	4,146,376	-
COVID-19 - 2020-23 CRRSA (ESSER II)	84.425D	Indiana Department of Education	S425D210013	2,838,915	-
COVID-19 - 2020-22 GEER	84.425C	Indiana Department of Education	S425C200018	1,869,348	-
COVID-19 - 2020-24 ARPA (ESSER III)	84.425U	Indiana Department of Education	S425U200013	126,888	-
<i>Total Education Stabilization Fund:</i>				<u>8,981,527</u>	<u>-</u>
Total U.S. Department of Education:				<u>\$ 21,862,558</u>	<u>\$ -</u>

See notes to schedule of expenditures of federal awards

Metropolitan School District of Wayne Township

Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2021

Federal Grantor / Program/Cluster Title	Assistance Listing Number	Pass-Through Agency	Pass-Through Agency Grant Number	Federal Expenditures	Payments Made to Subrecipients
U.S. Department of Health and Human Services					
<i>Substance Abuse and Mental Health Services Projects of Regional and National Significance:</i>					
2020 Project Aware	93.243	Indiana Department of Education	47466	\$ 44,185	\$ -
<i> Total Substance Abuse and Mental Health Services Projects of Regional and National Significance:</i>				<u>44,185</u>	<u>-</u>
<i>Medicaid Cluster:</i>					
<i>Medical Assistance Program:</i>					
INMAC	93.778	Indiana Family and Social Services Administration	FY2021	516,992	-
<i> Total Medical Assistance Program:</i>				<u>516,992</u>	<u>-</u>
<i> Total Medicaid Cluster:</i>				<u>516,992</u>	<u>-</u>
<i>Maternal and Child Health Services - Block Grants to the States:</i>					
FY20 Title V	93.994	Indiana Department of Health	38052	1,996	-
FY21 Title V	93.994	Indiana Department of Health	46156	2,498	-
<i> Total Maternal and Child Health Services - Block Grants to the States:</i>				<u>4,494</u>	<u>-</u>
Total U.S. Department of Health and Human Services:				<u>\$ 565,671</u>	<u>\$ -</u>
Total Expenditures of Federal Awards:				<u>\$ 32,748,088</u>	<u>\$ -</u>

(M) Denotes a major program

See notes to schedule of expenditures of federal awards

Metropolitan School District of Wayne Township

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Metropolitan School District of Wayne Township (the School Corporation) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School Corporation, it is not intended to and does not present the financial position, changes in net position or cash flows of the School Corporation.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified cash basis of accounting. Under the modified cash basis, revenues are recorded when cash has been received. Expenditures are recorded when cash has been disbursed. For grant programs reimbursed based on a formula, federal awards are considered expended when the reimbursement is received.

3. Indirect Cost Rate

The Metropolitan School District of Wayne Township has not elected to use the 10% de minimis indirect cost rate.

Metropolitan School District of Wayne Township

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(ies) identified?

yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

yes no

Significant deficiencies identified that are not considered to be material weakness(es)?

yes none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance?

yes no

Auditee qualified as low-risk auditee?

yes no

Dollar threshold used to distinguish between type A and type B programs: \$ 982,443

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559 84.425	Child Nutrition Cluster Education Stabilization Fund

Metropolitan School District of Wayne Township

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

Finding 2021-001: External Financial Reporting

Criteria: Properly designed systems of internal control provide your organization with the ability to identify accurate year-end transactions.

Condition: During our audit procedures in the current year, it was determined that the prior year implementation of GASB Statement No. 84, Fiduciary Activities, was not accurate and certain activities and funds previously reported as custodial funds should have been reported as governmental funds. As a result of this determination, beginning net position of governmental activities, beginning fund balance of nonmajor governmental funds, and beginning net position of custodial funds were restated to reflect the appropriate presentation of the School Corporation's funds in accordance with GASB Statement No. 84. Additionally, audit procedures during the current year identified material adjustments to year-end accrual balances related to accounts payable and capital assets.

Cause: Internal controls over the year-end accruals were not sufficient to detect the material misstatements.

Effect: Material audit adjustments were required to the financial statements.

Recommendation: We recommend the School Corporation incorporate additional procedures in evaluating transactional activity after year-end to identify all significant amounts that should accrued to the current year, especially for capital projects costs paid greater than one month after year-end.

Management's Response: The school has put additional procedures in place to review all transactional activity at year-end to identify all amounts that would potentially impact the statement of our financial position. All receipts and expenditures will be reviewed to ensure that items are reported correctly and categorized appropriately.

Metropolitan School District of Wayne Township

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section III - Federal and State Awards Findings and Questioned Costs

Finding 2021-002: Activities Allowed or Unallowed / Allowable Costs/Cost Principles

Federal Program Title: COVID-19 - Child Nutrition Cluster

Assistance Listing: 10.553, 10.555, 10.559

Project No.: FY 2021

Award Year: 2020-21

Federal Agency: U.S. Department of Agriculture

Pass-Through Entity: Indiana Department of Education

Criteria: Per the IDOE's Unallowable Summer Food Service Program Cost List: "Unallowable costs are costs for which Program funds may not be used. They include, but are not limited to: Direct capital expenditures or option to purchase rental costs for: acquisition of land or any interest in land; acquisition or construction of buildings or facilities, or the alteration of existing buildings or facilities; non-expendable equipment of any kind; repairs that materially increase the value or useful life of buildings, facilities, or non-expendable equipment; and other capital assets, including vehicles"

Condition: The School Corporation claimed expenditures for the purchase of depreciable capital assets, which is deemed an unallowable cost for the program by the Indiana Department of Education.

Cause: Existing review and approval controls do not consider additional compliance requirements established by the Indiana Department of Education as the program pass-through agency.

Effect: Ineffective review procedures could result in unallowable costs and activities being submitted for reimbursement.

Questioned Costs: Known questioned costs of \$17,652 and projected questioned costs of \$140,307.

Context: The identified unallowable expenditure is not indicative of a system problem. It represents an isolated instance resulting from additional restrictions put in place by the Indiana Department of Education beyond unallowable costs identified by the US Department of Agriculture. The sample tested was not a statistically valid sample.

Recommendation: We recommend the School Corporation's review and approval controls include the consideration of additional compliance restrictions required by the Indiana Department of Education. Appropriate individuals should remain current with these additional requirements through ongoing training and review of materials made available by the Indiana Department of Education.

Management response: Effective immediately, as of May 2022, the Child Nutrition Director will verify allowable expenditures with our Indiana Department of Education (IDOE) Field Consultant and the school district's Finance Department. The Child Nutrition Director will request additional training from our assigned IDOE Field Consultant on allowable cost for the Summer Food Service Program by July 30, 2022. The Child Nutrition Director will continue to stay current with additional requirements from IDOE.

Metropolitan School District of Wayne Township

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Finding 2021-003: Allowable Costs/Cost Principles

Federal Program Title: COVID-19 - Child Nutrition Cluster

Assistance Listing: 10.553, 10.555, 10.559

Project No.: FY 2021

Award Year: 2020-21

Federal Agency: U.S. Department of Agriculture

Pass-Through Entity: Indiana Department of Education

Criteria: Per 7 CFR 225.15, "Sponsors shall maintain accurate records justifying all meals claimed and documenting that all Program funds were spent only on allowable Child Nutrition Program costs. Failure to maintain such records may be grounds for denial of reimbursement for meals served and/or administrative costs claimed during the period covered by the records in question."

Condition: The School Corporation claimed indirect costs in fiscal year 2021 using the prior year's indirect cost rate rather than the approved indirect cost rate for the current fiscal year. As a result, the School Corporation overclaimed indirect costs during fiscal year 2021.

Cause: Lack of internal controls to prevent use of incorrect inputs in calculating the indirect cost allocation to be charged to the program.

Effect: Unallowable and inaccurate allocations of indirect costs could be charged to the program.

Questioned costs: Known questioned costs of \$360,198.

Context: This was an isolated incident as the School Corporation mistakenly used the incorrect indirect cost rate to calculate the amount of indirect costs to be applied. All base amounts and other variables in the indirect cost allocation were properly determined. The sample tested was not a statistically valid sample.

Recommendation: We recommend the School Corporation implement a formal, documented review of the indirect cost calculation, including review of all inputs into the calculation for accuracy by someone other than the original preparer of the indirect cost allocation.

Management response: In June 2022, indirect cost for SY 2021-2022 from the Child Nutrition Department will be calculated and paid for the current school year, instead of waiting until the following school year to pay. Moving forward, the Child Nutrition Director will verify with the Finance Department the approved indirect cost rate for the upcoming fiscal years. The Child Nutrition Director will also collaborate with the Finance Department to ensure the indirect cost calculations are correct before making payment. Both the Child Nutrition Director and Director of Finance will sign off on the approved indirect cost for the school year.

The Metropolitan School District of Wayne Township

Phone: (317) 988-8600

Fax: (317) 243-5744

Email: amy.eaton@wayne.k12.in.us

Education Center

1220 South High School Road

Indianapolis, Indiana 46241



Finding 2021-001

Contact Person Responsible for Corrective Action: Barry Gardner

Contact Phone Number: 317.988.8600

Views of Responsible Official: We concur with the finding and offer the following context and corrective action plan.

Condition: During our audit procedures in the current year, it was determined that the prior year implementation of GASB Statement No. 84, Fiduciary Activities, was not accurate and certain activities and funds previously reported as custodial funds should have been reported as governmental funds. As a result of this determination, beginning net position of governmental activities, beginning fund balance of nonmajor governmental funds, and beginning net position of custodial funds were restated to reflect the appropriate presentation of the School Corporation's funds in accordance with GASB Statement No. 84. Additionally, audit procedures during the current year identified material adjustments to year-end accrual balances related to accounts payable and capital assets.

Description of Corrective Action Plan: The school has put additional procedures in place to review all transactional activity at year-end to identify all amounts that would potentially impact the statement of our financial position. All receipts and expenditures will be reviewed to ensure that items are reported correctly and categorized appropriately.

Anticipated Completion Date: June 30, 2022



WE ARE WAYNE!

GREAT SCHOOLS :: GREAT COMMUNITY

The Metropolitan School District of Wayne Township

Phone: (317) 988-8600

Fax: (317) 243-5744

Email: amy.eaton@wayne.k12.in.us

Education Center

1220 South High School Road

Indianapolis, Indiana 46241



Finding 2021-002

Contact Person Responsible for Corrective Action: Brittany Jointer

Contact Phone Number: 317.988.7960

Views of Responsible Official: We concur with the finding and offer the following context and corrective action plan.

Condition: The School Corporation claimed expenditures for the purchase of depreciable capital assets, which is deemed an unallowable cost for the program by the Indiana Department of Education.

Description of Corrective Action Plan: Effective immediately, as of May 2022, the Child Nutrition Director will verify allowable expenditures with our Indiana Department of Education (IDOE) Field Consultant and the school district's Finance Department. The Child Nutrition Director will request additional training from our assigned IDOE Field Consultant on allowable cost for the Summer Food Service Program by July 30, 2022. The Child Nutrition Director will continue to stay current with additional requirements from IDOE.

Anticipated Completion Date: May 31, 2022



WE ARE WAYNE!

GREAT SCHOOLS :: GREAT COMMUNITY

The Metropolitan School District of Wayne Township

Phone: (317) 988-8600

Fax: (317) 243-5744

Email: amy.eaton@wayne.k12.in.us

Education Center

1220 South High School Road

Indianapolis, Indiana 46241



Finding 2021-003

Contact Person Responsible for Corrective Action: Brittany Jointer

Contact Phone Number: 317.988.7960

Views of Responsible Official: We concur with the finding and offer the following context and corrective action plan.

Condition: The School Corporation claimed indirect costs in fiscal year 2021 using the prior year's indirect cost rate rather than the approved indirect cost rate for the current fiscal year. As a result, the School Corporation overclaimed indirect costs during fiscal year 2021.

Description of Corrective Action Plan: In June 2022, indirect cost for SY 2021-2022 from the Child Nutrition Department will be calculated and paid for the current school year, instead of waiting until the following school year to pay. Moving forward, the Child Nutrition Director will verify with the Finance Department the approved indirect cost rate for the upcoming fiscal years. The Child Nutrition Director will also collaborate with the Finance Department to ensure the indirect cost calculations are correct before making payment. Both the Child Nutrition Director and Director of Finance will sign off on the approved indirect cost for the school year.

Anticipated Completion Date: June 30, 2022



WE ARE WAYNE!

GREAT SCHOOLS :: GREAT COMMUNITY