

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

AUDIT REPORT
OF

CITY CONTROLLER
CITY OF FORT WAYNE
ALLEN COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED
09/30/2009

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Patricia A. Roller	01-01-07 to 12-31-08
Mayor	Thomas Henry	01-01-08 to 12-31-11
Director of City Utilities	Leonard Poehler (Interim) Kumar Menon	01-01-08 to 01-06-08 01-07-08 to 12-31-09
Director of Public Works	Robert Kennedy	01-01-08 to 12-31-09
Co-Directors of Public Safety	Peter Kelly Russell York	01-01-08 to 12-31-09 01-01-08 to 12-31-09
President of the Common Council	Thomas Didier Thomas Smith	01-01-08 to 12-31-08 01-01-09 to 12-31-09



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TO: THE OFFICIALS OF THE CITY OF FORT WAYNE

We have audited the records of the City Controller for the period from January 1, 2008 to December 31, 2008, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Comprehensive Annual Financial Report of the City of Fort Wayne for the year 2008.

STATE BOARD OF ACCOUNTS

August 31, 2009

CITY CONTROLLER
CITY OF FORT WAYNE
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

Fund	Year	Excess Amount Expended
Motor Vehicle Highway	2008	\$ 8,150
Local Road and Street	2008	391,008
Cumulative Capital Improvement	2008	1,191,871

A similar comment appeared in prior Report B32815.

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

NEGATIVE FUND BALANCES/NET ASSETS

The following funds had negative fund balances at December 31, 2008:

Parking Meter	\$ 554,331
Omibus Crime	15,920
Public Safety Academy	17,316
Domestic Violence	108

The following fund had deficit net assets at December 31, 2008:

General and Auto Liability Insurance	<u>\$ 392,174</u>
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A similar comment appeared in prior Report B32815.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY CONTROLLER
CITY OF FORT WAYNE
EXIT CONFERENCE

The contents of this report were discussed on August 31, 2009, with Patricia A. Roller, Controller; and Valerie Ahr, Deputy Controller. The official response has been made a part of this report and may be found on pages 6 and 7.



CITY OF FORT WAYNE

THOMAS C. HENRY, MAYOR

September 8, 2009

Mr. Bruce Hartman, CPA
State Board of Accounts
302 W. Washington St., Room E418
Indianapolis, IN 46204-2765

APPROPRIATIONS

IC 6-1.1-18-4 does state in part: "... the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article." However, this chapter specifically refers to "Limitations on Property Tax Rates and Appropriations." The three funds referenced as having expenditures in excess of budgeted appropriations are not supported by property taxes.

The Highways and Streets funds (Motor Vehicle Highway and Local Roads and Streets) are included in the budget book and are also reported to the Department of Local Government Finance ("DLGF"). The City is in agreement that the expenditures did exceed the original appropriations. The expenses due to the ice storm could not be appropriated since it was December and there were no additional Council meetings for the year. The carry forward unspent dollars from 2007 were not appropriated again in 2008. The City has changed this process starting in 2009.

The Cumulative Capital Improvement fund is included in the budget book and is also reported to the DLGF. The City is in agreement that the expenditures did exceed the original appropriations. There was an approved commitment of the Light Lease dollars that did not get appropriated.

NEGATIVE FUND BALANCES – DEFICIT NET ASSETS

The City is in agreement that the following funds have negative fund balances or deficit net assets due to the following reasons:

The Parking Meter Fund has a negative fund balance due to the fact that the parking fines collected are being receipted to the General Fund and not the Parking Meter Fund per City Ordinance. There has not been a transfer appropriated from General Fund to the Parking Meter fund for the last three years, a fact which created the negative fund balance. City Code should be amended so that all revenues generated due to parking fees and fines are deposited in the Parking Meter fund.

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The Public Safety Academy Fund has a negative fund balance that has decreased to \$(17,316) in 2008. The City will correct this in 2009.

The Omnibus Crime Fund is a reimbursable grant fund, and not having the amount drawn from the State is a timing issue.

The Domestic Violence Fund has a negative fund balance that has decreased to \$(108) in 2008. The City will correct this in 2009.

Sincerely,

A handwritten signature in cursive script that reads "Patricia A. Roller".

Patricia A. Roller, CPA
City Controller