

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF FORT WAYNE

ALLEN COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
08/01/2014

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
City Controller:	
Audit Result and Comment:	
Negative Fund Balances/Net Position	6
Official Response.....	7
Exit Conference	8

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Patricia Roller	01-01-13 to 12-31-14
Mayor	Thomas Henry	01-01-12 to 12-31-15
Director of City Utilities	Kumar Menon	01-01-13 to 12-31-14
Director of Public Safety	Russell York	01-01-13 to 12-31-14
President of the Common Council	Thomas Didier Martin Bender	01-01-13 to 12-31-13 01-01-14 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

TO: THE OFFICIALS OF THE CITY OF FORT WAYNE, ALLEN COUNTY, INDIANA

This report is supplemental to our audit report of the City of Fort Wayne (City), for the period from January 1, 2013 to December 31, 2013. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with the Comprehensive Annual Financial Report and Federal Single Audit Report of the City, which provide our opinions on the City's financial statement and federal program compliance. These reports may be found at www.in.gov/sboa.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Result and Comment contained herein describes the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

June 16, 2014

(This page intentionally left blank.)

CITY CONTROLLER
CITY OF FORT WAYNE

CITY CONTROLLER
CITY OF FORT WAYNE
AUDIT RESULT AND COMMENT

NEGATIVE FUND BALANCES/NET POSITION

The following funds had a negative fund balance at December 31, 2013:

Fire (Major)	\$ 408,905
Public Safety Academy (Nonmajor Debt Service)	1,300,558
Omnibus Crime (Nonmajor Special Revenue)	1,479
Urban Enterprise Association (Nonmajor Special Revenue)	15,606

A similar comment appeared in prior Reports B42566, B40635, B39006, and B37206.

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 OF FORT WAYNE

THOMAS C. HENRY, MAYOR

June 26, 2014

Mr. Paul D. Joyce, CPA
State Examiner
State Board of Accounts
302 W. Washington St., Room E418
Indianapolis, IN 46204-2765

NEGATIVE FUND BALANCE

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

The Fire Fund has a negative fund balance due to a reversal of a 2012 accrued payroll entry in 2013. Due to the limited funding for this fund, the prior period adjustment directly to the fund balance resulted in the negative balance. The City will correct the effect of this prior period adjustment to the fund balance in 2014.

The Public Safety Academy Fund, which is used to track the Southtown Project in its entirety, has a negative fund balance due to revenues not being received for land sales as expected. The City will make every attempt to ensure a positive fund balance in 2014.

The Omnibus Crime Fund has a negative fund balance due to a receivable not being booked at the end of the year. The City will make every attempt to ensure a positive fund balance in 2014.

The Urban Enterprise Fund has a negative fund balance due to an accrued payroll entry. The City will adjust the timing of the reimbursement billing to accommodate for this accrual in 2014.

Sincerely,

Patricia A. Roller, CPA
City Controller

-7-

ENGAGE • INNOVATE • PERFORM

CITIZENS SQUARE

200 E. Berry St. • Fort Wayne, Indiana • 46802 • www.cityoffortwayne.org
An Equal Opportunity Employer

CITY CONTROLLER
CITY OF FORT WAYNE
EXIT CONFERENCE

The contents of this report were discussed on June 16, 2014, with Patricia Roller, Controller, and Valerie Ahr, Deputy Controller.