

# ***City of Fort Wayne, Indiana***

## **2012 Comprehensive Annual Financial Report For the year ended December 31,2012**



**FILED**

09/09/2013

Thomas C. Henry  
Mayor

Patricia A. Roller CPA  
Controller

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**City of Fort Wayne, Indiana  
Year Ended December 31, 2012**



**Patricia A. Roller, CPA  
Director of Finance and Administration  
City Controller**

**Valerie A. Ahr  
Deputy Controller**

# INTRODUCTION



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# CITY OF FORT WAYNE

TOM HENRY, MAYOR

June 27, 2013

Dear Citizens:

I am pleased to present to you the 2012 Comprehensive Annual Financial Report for the City of Fort Wayne. This is an in-depth account of the financial status of the City. This report demonstrates our commitment to provide you with a full and detailed explanation for the use of your tax dollars. The City of Fort Wayne has a long tradition of prudent management of your tax dollars. We remain committed to fiscally conservative management of your tax dollars, while continuing to provide basic services to our citizens.

If you have any suggestions for improving our Comprehensive Annual Financial Report or strategies for better managing your tax dollars, please contact the City Controller's Office at (260) 427-1106.

Sincerely,

A handwritten signature in black ink that reads "Thomas C. Henry".

Thomas C. Henry  
Mayor



# CITY OF FORT WAYNE

THOMAS C. HENRY, MAYOR

June 27, 2013

## **Honorable Mayor Thomas C. Henry and Members of the Fort Wayne Common Council, City of Fort Wayne, Indiana**

With this document, we submit the Comprehensive Annual Financial Report (CAFR) of the City of Fort Wayne for the fiscal year ended December 31, 2012. This is the twenty-fourth CAFR prepared by the City's financial staff. The twenty-three previous CAFRs have received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. This award marks a continuing effort to improve the City's accountability and financial disclosure to the citizens of Fort Wayne.

We believe the financial information and exhibits, as presented, to be accurate in all material aspects. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests solely with the City of Fort Wayne. We believe it is important for the various constituencies of the City of Fort Wayne, including citizens, taxpayers, oversight bodies, and the capital markets, to gain maximum understanding of the financial activities, results of operations, and financial position of the various funds and account groups of the City of Fort Wayne. The CAFR is presented with that goal foremost in mind.

This letter of transmittal is designed to complement the Management's Discussion & Analysis (MD&A, found in the financial section) and should be read in conjunction with it.

### **The Reporting Entity**

This CAFR contains financial reporting for all funds of the City. The City operates under a Mayor/Council form of government pursuant to Indiana statute. Listed below are a number of the services the City provides: public safety (police, fire, and communications), community development (planning, neighborhood revitalization, and economic development), parks and recreation, transportation (roads and streets), solid waste disposal, engineering, and general administrative services. In addition, the City provides water, wastewater, and stormwater utility services. In 1975, the City leased its electrical utility to an investor-owned utility.

The City of Fort Wayne, Indiana entity has been carefully defined pursuant to the entity definition criteria promulgated by the Governmental Accounting Standards Board (GASB) in Statement 14, "The Financial Reporting Entity". In accordance with this criterion, the City has included various component units in its presentation of the general-purpose financial statements. Blended component units are included as part of the primary government's operations even though they are legally separate entities. The Fort Wayne Municipal Building Corporation and the Consolidated Communications Partnership (CCP) have been presented as blended component units because the financial statements would be misleading if data from these component units were not included.

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Discretely presented component units have been presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. The following entities have been shown as discretely presented component units because the City is financially accountable for them and can impose its will on them, or the component unit is fiscally dependent upon the City: Neighborhood Care, Inc. (HANDS), Summit Development Corporation (Summit), Fort Wayne Urban Enterprise Association, Inc. (UEA), Allen County Fort Wayne Capital Improvement Board of Managers (CIB), Fort Wayne Redevelopment Authority (RA), Fort Wayne Public Transportation Corporation (PTC), Downtown Fort Wayne Economic Improvement District (DID), and Community Development Corporation of Fort Wayne (CDC).

The following governmental units have not been included in the reporting entity because the City is not financially accountable for them: Fort Wayne Housing Authority, Fort Wayne-Allen County Airport Authority, and Fort Wayne Community School System. The City of Fort Wayne entity also excludes several nonprofit entities that have some association with the City, including the Headwaters Park Alliance.

The City of Fort Wayne entity includes several governmental boards and commissions, including the Park Board, the Redevelopment Commission, the Metro Human Relations Commission, the Board of Public Works, the Board of Public Safety, and the Animal Control Commission.

The oversight body for the Civil City (governmental operations) is the Common Council of the City of Fort Wayne. The Council is composed of nine elected Council members who serve four-year terms, six of whom represent geographic councilmanic districts and three of whom are elected at-large. The oversight body for the City Utilities of Fort Wayne is the Board of Public Works. The Board of Public Works, as of December 31, 2012, is composed of the Chairman of the Board of Public Works and two citizen members appointed by the Mayor.

Note 1 of the basic financial statements provides a further discussion of the City as a financial reporting entity.

### **Economic Condition and Outlook**

With a population of 253,691 (US Census 2010 population estimates), Fort Wayne is the second largest city in Indiana. In January 2012, the Milken Institute named the Fort Wayne area to its "Best Performing Cities Index". The 2012 list ranked Fort Wayne 59 out of 200 largest metropolitan areas in the U.S. This is up from a 2011 ranking on the list of 127. In June 2012, Area Development, a corporate site selection and facility planning publication, recognized the Fort Wayne Metropolitan Statistical Area (MSA) as a top area for economic and job growth. 365 MSAs were ranked across 23 economic and workforce growth indicators pulled from data from the U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, and U.S. Census American Community Survey. Fort Wayne ranked 51<sup>st</sup> out of the 365 small, medium and large MSAs studied.

Almost two-thirds of the area's jobs are evenly distributed between the manufacturing, service and retail sectors. The remaining one-third comes from the construction, finance and government sectors. Job growth continues to be seen primarily from expansion of existing businesses as a result of new investment in products or services or through the consolidation of business within the company's organization.

In early 2000, the City's economic development objectives were refocused on gaining higher quality jobs in the manufacturing, service and technology sectors. The City, in collaboration with Allen County and the Greater Fort Wayne Chamber of Commerce, created the Fort Wayne - Allen County Economic Development Alliance. Over the last twelve years, the Alliance has been responsible for marketing the county's assets, which include a high quality of life, existing commercial building sites and an outstanding workforce, to new and expanding businesses. In 2012, a steering committee with representatives from the business community, the Alliance, the Chamber, the Downtown Improvement District (DID), the City of Fort Wayne, and Allen County began examining the possible coordination of economic development activities between the DID, Chamber and Alliance. Their findings are expected the first quarter of 2013.

Several new large construction projects in Allen County were announced in 2012. In May 2012, Meijer Stores' announced that it would invest over \$9.2 million to renovate an existing building in Interstate Industrial Park for a pharmacy fill operation. Thirty-three jobs will be created as a result of their project. Also in May, Logistics Insight Corporation (LINC), a provider of custom third party logistics solutions, announced that it would invest \$1 million to expand its operations at the Fort Wayne International Airport Cargo Hub. The company will lease an additional 59,480 square feet in the facility for a total lease of 165,370 square feet of operations space. Fifty new jobs are anticipated to be created as a result of this expansion. In October 2012, Voss Automotive, a German owned designer and supplier of exhaust control systems equipment for the automotive industry, announced that it would invest \$5.8 million to construct a new 32,300 square foot facility off of Hillegas Road. Thirty jobs will be created and 34 jobs will be retained as a result of the project.

### **Long Term Financial Planning**

City Utilities agreed to a Long Term Control Plan (LTCP) in the form of a federal consent decree, effective April 1, 2008, which will ultimately bring the Utilities' storm and sanitary sewer system into compliance with the Clean Water Act. City Utilities committed to combined sewer overflow reductions that require an approximate investment of \$240.0 million (denominated in 2005 dollars) in infrastructure solutions over the next eighteen years. City Utilities also agreed to eliminate three sanitary sewer overflows at an estimated cost of \$31.0 million, maintain the entire storm and sewer systems to performance standards prescribed in the LTCP and mitigate assessed penalties with local investments in septic tank elimination subsidies and rain garden stipends. The Fort Wayne City Council (Council) has authorized the issuance of \$255.0 million in debt to fund a six year capital plan that will accomplish a significant portion of the infrastructure investment needed to fulfill the requirements of the consent decree. City Utilities has issued \$172.8 million in debt associated with the \$255.0 million Council authorization.

In 2008, City Utilities paid Aqua Indiana \$16.9 million, the appraised value, and took possession of those assets. The North Assets are now fully integrated with City Utilities' water and sewer systems and generating revenues at existing rates from 8,600 new retail water customers and 1,600 new retail sewer customers. Aqua Indiana asserts that the purchase price is inadequate and has sued for unspecified damages.

In May, 2009, the City of Fort Wayne issued \$30.0 million in capital improvement bonds in order to finance future infrastructure improvements. These bonds have a twenty-five year maturity and will be repaid with County Economic Development Income Taxes (CEDIT).

In 2010, the City entered into an agreement to transfer the remaining Electric Utility assets to another electric utility (transferee). In August, 2011, the Indiana Utility Regulatory Commission (IURC) approved the agreement. In exchange for the remaining leased Electric Utility assets and the right to be the exclusive supplier of electricity in the City, the transferee will pay in excess of \$39 million over the next 15 years, including an initial payment of \$5 million in 2011.

In 2011, the renovation of the former Renaissance Square building was completed and the building renamed Citizens Square. By purchasing this building, it is estimated that the City will see a reduction of approximately \$463,000 per year in property taxes and will own the building in 20 years.

In 2012, the Harrison Square retail component was completed at a value of \$6 million and currently has three tenants. The Harrison Square apartments, valued at \$14.5 million are scheduled to be completed in January, 2013.

### **Relevant Financial Policies**

According to Indiana statute, if the state budget agency determines that a sufficient balance exists in a county account in excess of the amount necessary, when added to other money that will be deposited in the account after the date of the determination, to make certified distributions to the county in the ensuing year, the budget agency shall make a supplemental distribution to a county from the county's special account. This supplemental distribution is then allocated in the same manner as the certified distributions for deposit in a civil unit's rainy day fund. Funds in the City of Fort Wayne rainy day fund are unrestricted and must be appropriated and approved by the Fort Wayne City Council.

### **Major Initiatives**

Mayor Henry's administration has developed a strategic plan with three key priorities:

Engage, Innovate, and Perform. It represents what our community is all about, and it's a commitment to being the very best.

1. Engage – Provide excellent customer service and involve the public in our efforts to be a great City.
2. Innovate - Maintain a pro-investment environment through proactive leadership and strategic partnerships.
3. Perform - Be an outstanding place to work, operating as a trustworthy, transparent organization that drives continuous improvement and high performance.

### **Financial Information**

#### **Budgetary Controls**

Budgetary control, for those funds where the Common Council legally adopts budgets, is maintained at the departmental or major category level. The annual budgetary sequence of events for the City of Fort Wayne contains several review points. Departments prepare draft budgets each June for the next fiscal year incorporating a set of assumptions provided by the Division of Finance and Administration. These budget requests are subjected to internal review and modification before a budget ordinance is prepared for introduction to the Common Council in early September.

Generally, budget hearings are held throughout October in Common Council sessions. Beyond the public and televised Common Council sessions, there is a legal public hearing held as part of the budget process at which citizens may provide the administration and the Common Council with their comments concerning the budget. By state law, the Common Council must pass the budget by November 1 of each year. The Common Council has the power to decrease any major category proposed by the Administration, but may not increase any major category in the budget.

Subsequent to that action, the Department of Local Government Finance (DLGF) holds a final budget hearing, review, and modification in December of each year prior to issuing a formal budget approval order in January. Within this four-month process, there is ample opportunity for oversight and public input. Additional appropriation or transfer requests are controlled at the major category level and must be supported by available cash balances. The Department of Local Government Finance must approve any additional appropriations to those funds where the Common Council adopts a legal budget.

In funds where the modified accrual basis of accounting is used, expenditures are measured against available appropriations by encumbrance of purchase orders. For budget purposes, expenditures are recognized in the year encumbered. Under Indiana statute, open purchase orders at the end of a fiscal year, to the extent of available budgetary spending authority, are automatically added to the subsequent year's budget.

In proprietary fund types such as utilities, where the full accrual basis of accounting is used, encumbrances of purchase orders are not recorded. For financial statement and budget purposes, expenses are recognized when incurred.

The budgetary process for City Utilities is somewhat different from that of the Civil City or governmental operations. The oversight body for the utility operations under Indiana statute is the Board of Public Works. On a schedule that runs about a month behind the Civil City budget process before the Common Council, the Board of Public Works reviews and approves the utility budgets. Additional appropriation requests and transfers are controlled at the major category level.

### **Internal Controls**

The management of the City of Fort Wayne is responsible for establishing and maintaining a system of internal financial controls that account for and safeguard the assets of the City from loss, theft, and misuse. The internal financial control system must allow for compilation of data in a manner in which financial statements can be prepared efficiently in conformance with generally accepted accounting principles.

It is important that the costs and efforts involved in internal control mechanisms not exceed the benefits received. Accordingly, we believe that the City's internal financial controls adequately safeguard assets and provide reasonable assurance of properly recorded financial transactions at an appropriate level of expense and effort. The City consults with the Indiana State Board of Accounts, not only during the audit, but also throughout the year. As a result, we believe that we have established a proactive, positive relationship with our auditor that works to increase the quality of the City's financial reporting and internal control system.

## **External Audit Function**

The Indiana State Board of Accounts (SBA) conducts a financial audit of the City of Fort Wayne annually. In addition to this, the SBA conducts a state law compliance audit. The SBA also audits the City for compliance with the federal Office of Management and Budget Circular A-133, as empowered in the Single Audit Act of 1984, relative to federal financial assistance received.

Beginning with the 2005 audit, the financial statements of the City Utilities operations, including the Electric, Water, Water Pollution Control and Yard Waste Facility, enterprise funds, and the Stormwater special revenue fund are audited by the Indiana State Board of Accounts. Audits prior to 2005 for the City Utilities operations were conducted by independent accounting firms.

## **Internal Audit Department**

The City's Internal Audit Department was created in 1988, and is currently staffed by three accounting professionals: the Director of Internal Audit and two Staff Auditors. The Audit Committee ordinance requires that the Director of Internal Audit be a Certified Public Accountant licensed in the State of Indiana or a Certified Internal Auditor. The Internal Audit Department is organized as a separate department and has direct responsibilities to the Mayor and the Audit Committee and indirect responsibilities to the Common Council and the City Controller.

## **Audit Committee**

In 1990, the City of Fort Wayne established by ordinance an Audit Committee. The Audit Committee is composed of five members of the community appointed as follows: 1) one member appointed by the Common Council; 2) one member appointed by the Mayor; 3) one member appointed by the Board of the Allen County Bar Association; 4) one member, approved by the State Board of Accounts, who is a chief financial officer of another governmental unit in Allen County and is familiar with governmental accounting in Indiana; and 5) one member appointed by the Board of the local chapter of the Institute of Internal Auditors.

The Audit Committee has significantly increased the accountability of the City of Fort Wayne to its four primary financial constituencies: 1) taxpayers and ratepayers; 2) citizens; 3) oversight body (Common Council); and 4) the capital markets (where securities of the City of Fort Wayne are sold and purchased in the primary market and traded in the secondary markets).

The duties of the Audit Committee include recommending a budget to the Mayor for the Internal Audit Department, approving an annual audit plan for the staff of the Internal Audit Department, publicly receiving audit reports of the State Board of Accounts, recommending the City's independent external auditors, making sure timely and appropriate remedial actions are taken on all exceptions and comments in audit reports and management letters, and mandating and monitoring compliance with all applicable Indiana laws, generally accepted accounting principles, governmental accounting standards, regulations of the Internal Revenue Service, and other federal agencies.

**Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association (GFOA) of the United States and Canada annually awards the Certificate of Achievement for Excellence in Financial Reporting to state, provincial, and local governmental units that publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

This comprehensive annual financial report is the twenty-fourth published by the City of Fort Wayne. The 1989-2011 Comprehensive Annual Financial Reports were awarded the Certificate of Achievement by GFOA. The award is good for only one year. We believe our report conforms to Certificate program requirements, and we are hopeful that GFOA will confirm, through its review process, our eligibility for a twenty-fourth Certificate.

**Acknowledgments**

Without the strong commitment of Mayor Thomas Henry to the highest standards of ethics, financial reporting, disclosure, and professionalism, this report would not have been possible. We would like to express our sincere appreciation for that commitment and support.

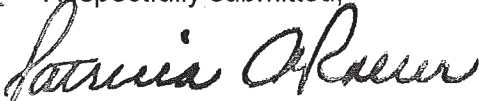
The City Controller and Deputy Controller are not able to produce a report of this type and magnitude alone. A number of people are part of the team effort that produces the City's CAFR.

We acknowledge and thank the following City employees:

- Mark Knepper**, Financial Analyst
- Jake Gillespie**, Financial Analyst
- Jolie Walker**, Financial Analyst
- Jay Bigham**, Senior Financial Accountant
- Greg Weisser**, Financial Accountant
- Suzanne Sims**, Bookkeeper/Receptionist
- Jeanne Cook**, Administrative Assistant to the Controller

We also acknowledge the assistance of the entire audit team from the Indiana State Board of Accounts Fort Wayne Office for making this report possible.

Respectfully submitted,



Patricia A. Roller, CPA  
City Controller  
Director of Finance & Administration

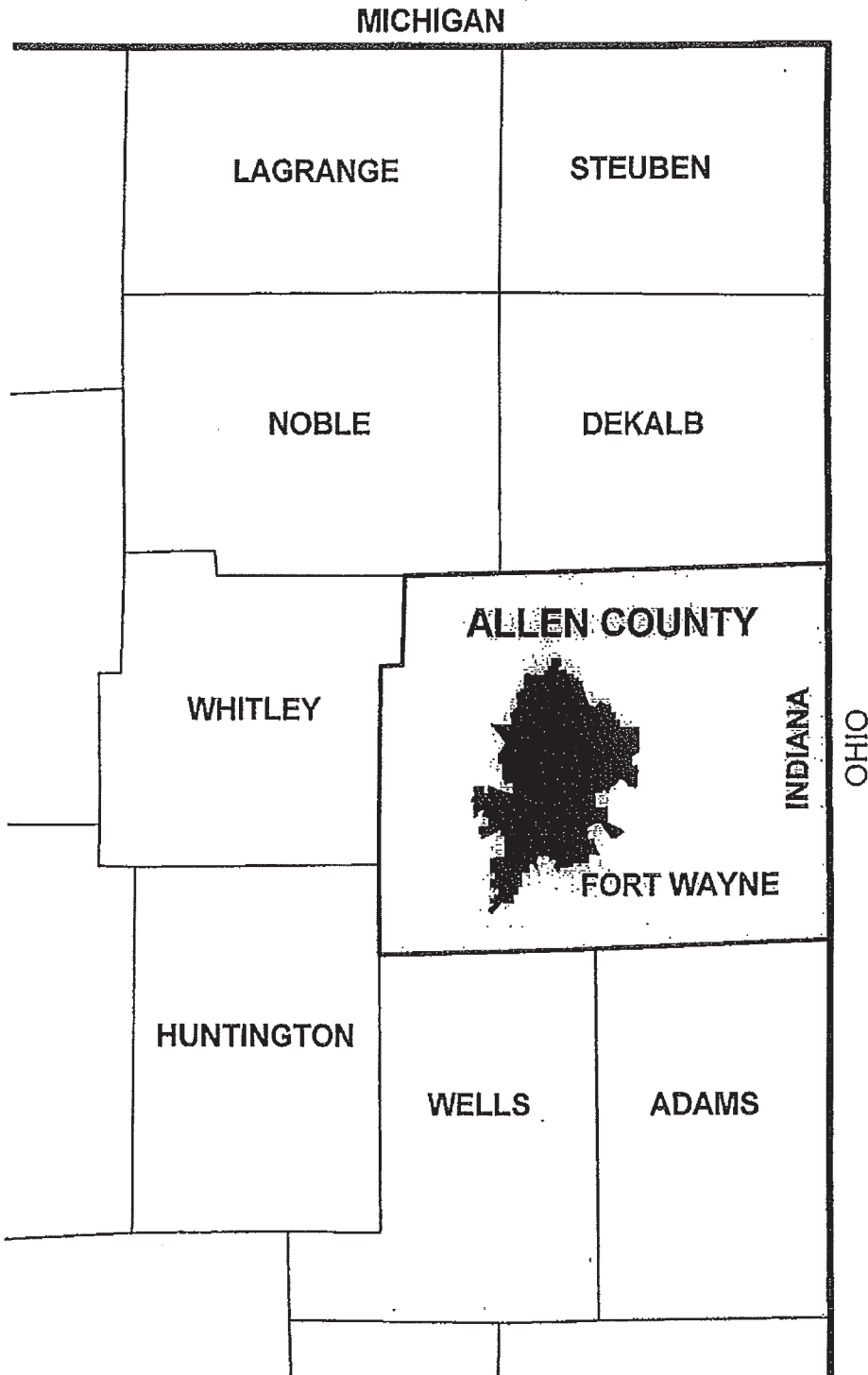


Valerie Ahr  
Deputy Controller

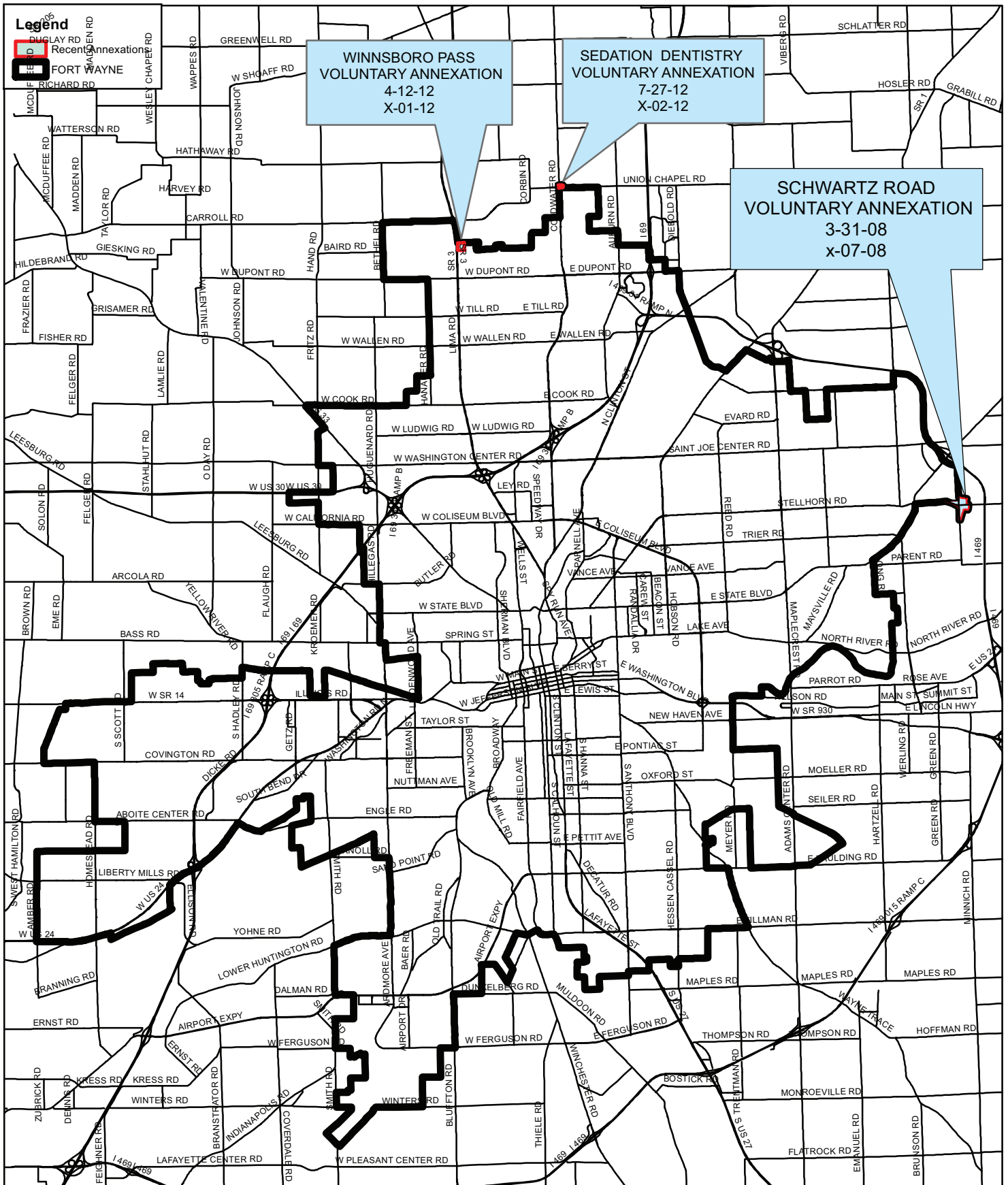
# Midwest Locator Map



# Northeast Indiana Locator Map



# FORT WAYNE RECENT ANNEXATIONS (after 2007)



Although strict accuracy standards have been employed in the compilation of this map, Fort Wayne City CDD GIS does not warrant or guarantee the accuracy of the information contained herein and disclaims any and all liability resulting from any error or omission in this map.

North American Datum 1983  
State Plane Coordinate System, Indiana East

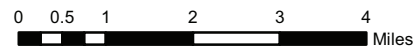


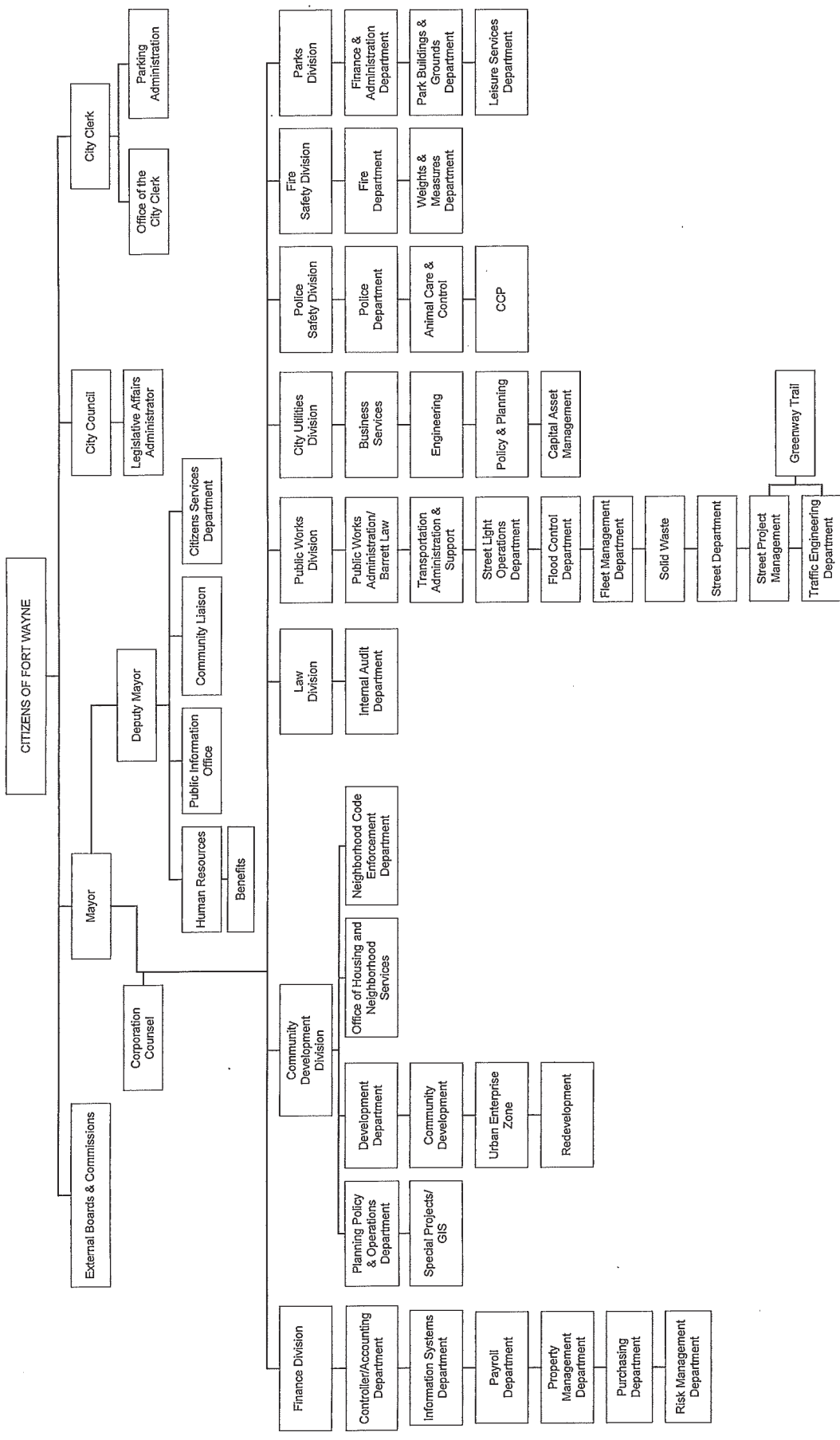
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FW CDD GIS





# Director of City Utilities Kumar Menon

**Deputy Director of Utilities**  
Business Services  
Len Poehler

Director of Finance (1)  
Project Accountant (1)  
Accountant/Systems Analyst (1)  
Financial Accountant (1)  
Fixed Asset/Budget Accountant (1)  
Accounting Clerk (1)

GIS Manager (1)  
GIS Techs (5)

Utility Service Manager (1)  
Customer Relations Manager/Superv (2)  
Credit & Collections (3)  
Cashier/Service Reps (19.5)  
Utility Clerk (3)

Data Control Billing Systems Manager (1)  
Administrative Assistant (1)  
Audit Error Spec/Cust Rel (4)

**Utilities Administration**

Public Information Officer (1)  
Administrative Assistant (2)  
Utility Service Manager PW (Budgeted in 908)

**Deputy Director of Utilities**  
Engineering  
Matthew Wirtz

Manager (2)  
Administrative Asst (2)  
Program Manager (20.5)  
CADD Technician (2)  
Engineering Tech (2)  
Designer (6)  
Construction Manager (4)

**Deputy Director of Utilities**  
Policy and Planning  
Matt Land

Program Manager Stakeholder Relations (1)  
Program Manager Mgmt Sys Develop (2)  
Asst Program Manager (1)  
Assoc City Attorney (1)  
Manager Develop Services (1)  
Administrative Asst (1)  
Program Manager (2)  
Permit Specialist (2)  
Engineering Rep III (4)

Program Manager Wet Weather (1)

Program Manager NPDES (1)  
Wet Weather Coordinator (1)

Program Manager Regulatory (1)

**Deputy Director of Utilities**  
Capital Asset Mgmt  
John Clark

Superintendent Water Maintenance  
Kurt Roberts

Senior Clerk (3)  
Dispatcher (1)  
Storekeeper (2)  
Accountant/Book (1)  
Supervisor (3)  
Program Manager (1)  
Meter Reading Mgr (1)  
Watch Maint (4)  
Maintenance Crew Leader (1)  
Service Technician (14)  
Water Operator (14)  
Laborer (9)  
Meter Reader (3)  
Plumber Crew Leader (5)  
Utility Person (5)  
Backhoe Operator (6)  
Tandem Driver (5)

Superintendent WPC/STM Maintenance  
Jeff Morris

Administrative Assistant (1)  
Dispatcher (1)  
Data Entry Clerk (1)  
Supervisor (2)  
Program Manager (5)  
Inspector (3)  
Flusher Operator/Assistant (8)  
TV Truck Operator/Assistant (6)  
Rodder Operator/Assistant (2)  
Vacuum Operator/Assistant (10)  
MH Sealing Operator/Asst. (3)  
Working Foreman (6)  
Heavy Equip. Operator (6)  
Combination Repairer Driver (11)  
Special/Night Investigator (5)  
Storekeeper (1)

Superintendent WPC Plant  
Brian Robinson

Safety, Training, Admin PM (.5)  
Wet Weather Program Mgr (1)  
Systems Process Specialist (2)  
Chemist (3)  
Maintenance Working Leader (2)  
Water Quality Supervisor (1)  
Program Mgr (1)  
Supervisor/Maint (1)  
CMMS Adm (5)  
Pretreatment Coordinator (1)  
Operator (8)  
Inspector (2)  
Mechanic (12)  
Plant Clerk (1)  
Electrician (5)

Maint Work Leader (1)  
Equip Oper (4)

Superintendent Filtration Plant  
Chet Shastri

Safety, Training, Admin PM (.5)  
System Process Specialist (1)  
Assoc System Process Spec (1)  
Water Quality Supervisor (1)  
Maintenance Supervisor (1)  
Operator (14.5)  
Chemist (3)  
CMMS Adm (.5)  
Maintenance Working Leader (3)  
Mechanics (7)  
Plant Clerk (1)  
Electrician (6)

January 2012

**CITY OF FORT WAYNE**  
**LIST OF PRINCIPAL OFFICIALS**  
**December 31, 2012**

**NAME**

**TITLE**

**Elected Officials:**

Thomas Henry	Mayor
Sandra E. Kennedy	City Clerk
Thomas Smith	Council Member - District 1
Russ Jehl	Council Member - District 2
Thomas Didier	Council Member - District 3
Mitch Harper	Council Member - District 4
Geoff Paddock	Council Member - District 5
Glynn Hines	Council Member - District 6
John Shoaff	Council Member - At-Large
John Crawford	Council Member - At-Large
Martin Bender	Council Member - At-Large

**Division Directors:**

Mark Becker	Deputy Mayor
Patricia A. Roller	Director of Finance and Administration
Carol Helton	City Attorney
Kumar Menon	Director of City Utilities
John Urbahns	Director of Community and Economic Development
Amy Biggs	Fire Chief
Alvin R. Moll, Jr.	Director of Parks and Recreation
Russell York	Police Chief
Robert Kennedy	Director of Public Works

# CITY OF FORT WAYNE

## DEPARTMENT DETAILS

### OFFICE OF THE MAYOR

The Mayor oversees the implementation of policies and the efficient flow of ongoing services through wide appointive powers, including the capability to appoint division heads and many board and commission members. The Mayor may serve unlimited four-year terms. Fort Wayne, the second largest city in Indiana, is the northeast Indiana leader in industrial, educational, and cultural activity. Leadership from the Office of the Mayor is crucial to the entire area.

The power to organize the executive department is shared between the mayor and the council. Since the mayor is charged with the responsibility for the efficient operation of the city and the enforcement of its ordinances, he or she has the power to initiate or recommend new departments, transfer duties between or terminate existing departments. The council must ratify by ordinance such recommendations to put them into effect.

The Mayor controls the major administrative functions of the consolidated city through the seven divisions as follows: Finance & Administration, Community Development, Public Works, Utility Administration, Public Safety, Parks & Recreation, and Office of the Mayor. Each of these areas is headed by an appointed director.

### Public Information Office

The Mayor's Public Information Office provides information regarding administrative policies and City services to a variety of audiences, including citizens, City Council members, neighborhood leaders, City employees, State legislators, and state and national groups. The messages are delivered using a variety of communication tools, including the media, Internet, cable television and others. The purpose of the messages are threefold: 1) to educate and inform, 2) to encourage citizen participation and involvement and 3) to promote the City of Fort Wayne locally, statewide and nationally.

### Neighborhoods and Citizen s Advocate Office

The Neighborhoods and Citizen's Advocate Office assists neighborhood associations, business associations, community service organizations, and citizens with their needs and concerns regarding City government, departments and services. This office also acts as a referral agency to other branches of government.

This office helps neighborhood associations, business associations, community service organizations, and citizens leverage resources to resolve their concerns and acts as a liaison between citizens and the Mayor and City Government.

The Neighborhoods and Citizen's Advocate Office can be contacted via the telephone, TDY, visits to the office, the mail, electronic mail, or meetings with the staff.

### Department of Law

It is the mission of the Department of Law to manage the legal affairs of the City of Fort Wayne by giving legal advice to the officers, departments, boards, commissions and other agencies of the City; by drafting ordinances and other legal papers for the City and its departments, boards, commissions and other agencies; by prosecuting violators of City ordinances; and by supervising and directing all litigation in which the City has an interest.

## **Human Resources Department**

The goal of the Human Resources Department is to provide services efficiently to employees, applicants, and the public at the least cost to the City's taxpayers. Services include the facilitation of positive employee and labor relations, employee communications, benefits administration, training and counseling; employee record-keeping; classification of employee positions; policy and procedure development; union contract negotiations, interpretations and enforcement; recruiting; and testing of applicants.

## **Internal Audit Department**

Internal Audit is primarily responsible for performing financial, operational and compliance audits in accordance with professional auditing standards. The vast majority of audits are followed by written reports containing findings and recommendations, as well as management's plans for implementing corrective action. In addition, the Internal Audit Department provides primary support to external auditors during their annual financial statement audit.

## **311 Call Center**

The 311 Call Center is a community resource which connects the constituents of Fort Wayne to City services and information. This office also provides performance measurement and improvement services to governmental and non-governmental agencies in their goal to improve customer service and facilitates citizen engagement. In times of emergency, the 311 Call Center serves as a standby emergency operating center (EOC), ready to take non-emergency calls in a matter of minutes. 311's experienced operators relieve EOC staff by taking the high volume of resident's calls in disasters so EOC staff can concentrate on working with field employees.

## **OFFICE OF THE CITY CLERK AND COMMON COUNCIL**

The **City Clerk** is an elected position every four years and serves as the Clerk of the Common Council. The Clerk is responsible for the preservation of all ordinances and resolutions passed by this body and also responsible for a number of Indiana Statutory responsibilities as listed in Indiana Code 36-4-6-9. City Clerk also serves as the Administrator of the Fort Wayne Violations Bureau and Parking Enforcement Department. The Clerk may seek unlimited four-year terms.

The **Fort Wayne Common Council**, as the Legislative Body, has the responsibility of passing ordinances and resolutions for the City. The Fort Wayne Common Council is comprised on nine elected members, on representative from each of the city's six councilmanic districts and three at-large members. As elected officials, they are entrusted with the duty to provide the ways and means to ensure the safety and security of citizens of the City of Fort Wayne and work to maintain a high quality of life. Common Council members may seek unlimited four-year terms.

## **FINANCE AND ADMINISTRATION DIVISION**

The mission of the Finance & Administration Division is to ensure the financial stability for the City of Fort Wayne. The departments within this division include the Controllers Office, Payroll, Risk Management, Purchasing, Human Resources, Benefits, Information Systems and Property Management.

The Division is also responsible for: the annual budget; proper financial controls to ensure the City's financial transactions and assets are reported accurately; as well as providing financial analysis for management decision making including guidance for delivery of efficient, cost effective government services.

## **Payroll Department**

The Payroll Department is responsible for maintaining the City government payroll records to meet the requirements of the various laws (federal, state, and local) under which it is operating; maintaining a payroll accounting system that embodies all of the procedures and methods related to the disbursement of pay to employees in a highly technical environment; and promoting goodwill and a positive working environment by processing the payroll accurately and on time.

## **Purchasing Department/Contract Compliance Office**

The City of Fort Wayne's **Purchasing Department** provides a centralized, service-oriented focal point for all Civil City and City Utilities departments. The role of the Purchasing Department is to assist with identifying, acquiring, accessing, positioning, and managing resources the City needs to achieve its strategic objectives. The staff of the Purchasing Department ensures that all activity is conducted within the framework of State code and local ordinance, and always adheres to professional purchasing practices.

The **Contract Compliance Office** monitors construction and procurement contracts to ensure that local, state and federal regulations are followed by all City contractors. In addition, the Department monitors the City's Community Development Block Grant (CDBG) contracts with private agencies.

## **Property Management**

The mission of the Property Management Department is to develop preventive maintenance programs, which will track maintenance and repairs of City-owned buildings. The department also provides guidance in areas related to real estate purchases, renovations, and contracted services.

In addition, the Property Manager will develop a program to market City properties and oversee the purchase and sale of buildings and real estate in accordance with State statutes. The department will evaluate renovations, both short and long term, and will determine whether a property is worth the renovations or a new facility is needed.

## **Risk Management Department**

The Risk Management Department is responsible for formulating and implementing programs and procedures that will minimize the City's property, revenue and personnel losses. A comprehensive self-insurance program for auto and general liabilities and worker's compensation was designed to finance the losses that do occur. The Risk Management Department works closely with the other departments within the City to ensure all employees work in the safest possible working conditions.

## **Information Systems Department**

Information Systems is responsible for providing quality, reliable and cost effective information systems and services to the many and varied City departments. Information Systems Tactical and Strategic Planning is the foundation of providing these services to the City departments while considering organizational structure, departments and their mission, critical success factors, service products and the return on investment.

## **FORT WAYNE CITY UTILITIES**

City Utilities is a municipal utility and a division of the City of Fort Wayne. The City Utilities Division is organized into four Strategic Business Units (SBU); Capital Asset Management, Policy and Planning, Engineering Services and Business Services under the leadership of the Director of City Utilities. Along with the Director, Each SBU has a Deputy Director that comprises the Senior Management team. City Utilities'

mission is to protect the health, welfare and prosperity of the Fort Wayne community and therefore, committed to provide quality water, sewer and stormwater services in an efficient, effective and reliable manner.

**Capital Asset Management SBU** (includes the Three Rivers Filtration Plant, the Water Maintenance and Services Department, the Water Pollution Control Plant, the Biosolids Facility, and the Water Pollution Control Maintenance and Stormwater Maintenance Departments:

**Three Rivers Filtration Plant:**

The Three Rivers Filtration Plant draws its raw water supply from the St. Joseph River. This department maintains a 265-acre reservoir that holds nearly 2 billion gallons of water. It also maintains the Cedarville Dam and the 500 million-gallon Cedarville Reservoir. Raw water from the river is pumped from the St. Joe Dam Pump Station to the Three Rivers Filtration Plant. The Three Rivers Filtration plant is made up of 3 individual treatment plants that can be run independently of each other as needed. Each plant is capable of producing 24 million gallons of drinking water a day. An average of 25 million gallons a day is treated and purified through a series of chemical and physical treatment processes from these plants.

**Water Maintenance and Service Department:**

The Water Maintenance and Service Department (WM&S) is responsible for maintaining 1100 miles of water distribution piping and its various elements and providing service-related operations. The construction division of this department repairs and installs mains, hydrants, valves, and services. The service division installs and maintains meters, pressure tests and disinfects new water mains, provides field support for the Customer Relations Department on turn-offs and turn-offs and investigates customer complaints. Personnel also perform the meter reading function for the Utility.

**Water Pollution Control Plant:**

Fort Wayne's Water Pollution Control Plant is responsible for treatment of an average of 48 million gallons of sewage per day. The plant is an activated sludge treatment plant including primary, secondary, and advanced waste water treatment. This department is charged with the responsibility of treating the City's Sanitary Sewer system to meet the treatment requirements of the City's National Pollution Discharge Elimination System (NPDES) Permit before the effluent is discharged into the Maumee River. The facility also maintains and operates 41 lift stations, 7 CSO Stations, 4 Storm Stations, 12 Toe Drains, and 1 Sludge station.

**Water Pollution Control Maintenance/Stormwater Maintenance Departments:**

The Water Pollution Control Maintenance/Stormwater Maintenance departments are responsible for the maintenance of the City's sanitary sewers, of storm sewers, and combination sewer systems totaling over 1900 miles. These departments install, inspect, repair, maintain and clean manholes, inlets, catch-basins, and sewer/storm lines. Improvements are also made to open drains and ditches to improve high water flows.

**Policy and Planning SBU** (includes Policy and Planning Department, Process Improvement and the Development Services Department:

**Policy and Planning Department:**

The Policy and Planning SBU ensures the work of all SBU's within the Utility is coordinated. Additionally, the Policy & Planning SBU identifies and coordinates work with Civil City and Public Works officials. Functions include setting and administering public policy as it relates to the Utility, including strategic and operational planning, liaison for human resources and training, union relationships, developer and business relationships and other key stakeholder groups. Policy and Planning engages all SBU's in performance management programs including, but not limited to, Lean/Six Sigma/TQM/ISO et al.

### **Development Services Department:**

The Development Services Department facilitates the expansion or modification of the City's water, wastewater and stormwater systems through the new development process, via the property owner petition process and other means. Staff also oversees service connections to these facilities. Development Services staff members provide information about the policies, procedures and rules that govern the operation of Fort Wayne City Utilities and assist developers, contractors, builders and citizens in finding information about the physical characteristics of various utility systems. Additionally, staff calculates and collects utility assessments and fees associated with utility systems expansion and connection and initiate new customer accounts. Development Services is also involved in managing citizen inquiries and concerns about Utility systems, offering and reviewing options for service and coordinating financing for projects.

Note: New Water & Sewer Permits is not a separate department – it is part of Development Services.

**Engineering Services SBU** (includes the Planning & Design Services Department and the Engineering Support Services Department):

### **Planning Design Services Department:**

The Planning & Design Services Department oversees all engineering planning and design programs for the water, wastewater and stormwater distribution/collection systems as well as the water filtration and sewage treatment facilities. It conducts utility master planning, asset management and sustainability programs and develops long term capital planning and budgets for City Utilities. Using engineering practices it analyzes the operation of City Utility systems to solve problems, recommend City Utility system improvements and to develop construction plans and specifications for City Utility improvement projects. This department also provides technical support and guidance for the Utility operations departments.

### **Engineering Support Services Department:**

Engineering Support Services provides inspection field services and construction contract management of Utility capital projects. These projects include private development projects, utility capital improvement projects for the water, wastewater and stormwater systems as well as projects for the water filtration and sewage treatment plants. The department also assists Planning & Design Services with field investigations, surveying, testing and analysis of utility system problems.

**Business Services SBU** (includes Financial Services Department, Customer Relations Department, Data Control and Geographical Information Systems):

### **Financial Services Department:**

The Financial Services Department is responsible for maintaining all financial records of City Utilities, which include electric, administrative departments, water, water pollution control, stormwater and yardwaste.

### **Customer Relations:**

The Customer Relations Department's goal is to serve customers promptly, courteously and professionally. The public contacts this department to initiate, finalize or transfer water and sewer services as well as make any billing inquiries either in person, by phone or by correspondence.

### **Data Control:**

The Data Control Department completes on-line work orders initiated by the Customer Relations and Water Maintenance and Service Departments. This department is also responsible for maintaining the integrity of the billing system and developing system enhancements to increase customer clarity and user efficiency.

## **Geographic Information Systems (GIS):**

The Geographic Information Systems Department collects, checks, processes and utilizes data with geographical significance to create computer generated reports and maps for City Utilities and other City departments.

## **DIVISION OF COMMUNITY DEVELOPMENT**

### **Vision Statement**

“To foster a vibrant, prosperous and growing Fort Wayne through extraordinary community development.”

### **Mission Statement**

“To develop and implement creative community-based strategies to enhance economic opportunity, build strong neighborhoods, and ensure a dynamic framework for quality growth and development.”

### **Director’s Office**

The Director’s Office provides coordination and overall direction for the Division comprised of by the following departments: Planning & Policy, Housing and Neighborhoods, Re/Development, and Neighborhood Code Enforcement.

The division’s departments work collaboratively to coordinate and carry out activities based on the following operating principles:

Community-Based Planning - Ensure community based planning as the foundation for all projects, resource allocation and collaboration.

Aggressive Implementation - Create and sustain an aggressive implementation strategy for all planning efforts.

Support Businesses - Sustain strong and aggressive support for business investment and job creation.

Strategic Projects - Encourage and facilitate strategic projects that will develop, revitalize, and strengthen the Fort Wayne community.

Community Collaboration – Continually pursue strong partnerships with citizens, neighborhoods, businesses and organizations in order to achieve community development goals.

High Performance Organization - Foster a work environment that encourages and provides for sustained personal and professional development and a commitment to innovation and excellence.

### **Deputy Director of Community Planning Policy**

Working under the Division Director, this Director oversees the development and implementation of community plans and initiatives that enhance development opportunities and quality of life for the City of Fort Wayne. The Deputy Director provides oversight for the following areas within the department.

**Special Projects/GIS** staff provide strategic research to assist in the direction of Division resources, management of special projects and development of the Division technology strategy. GIS staff provide data, analysis, and GIS support to the Division.

**Strategic Planning** staff work to promote good stewardship of City resources through various land and planning studies, visioning initiatives, Comprehensive Plan updates, transportation studies and the promotion for orderly, fiscally sound expansion of the City through annexation.

**Historic Preservation** staff manage the historic and aesthetic resources of the community through implementation of the City Code that relates to Historic Preservation and Protection Districts. The staff work act as liaisons to the Historic Preservation Commission and work with property owners, city agencies and other groups to coordinate improvement efforts, provide technical assistance and cost-effective design solutions.

### **Deputy Director of Development**

Working under the Division Director, this Director oversees the implementation of an aggressive development partnership between the public and private sectors. As part of the department's economic development efforts, the Deputy Director and staff provide direct liaison/support to Greater Fort Wayne Inc. Metro Chamber Alliance, support international trade, and provide services that support and stimulate business growth, community investment and development. The Deputy Director also provides oversight for the following:

**Community Development Corporation of Northeast Indiana (CDC)** is a city-sponsored, 501 c (6) not-for-profit business development organization. Its primary objective is to promote the growth and development of small commercial and industrial businesses in the Fort Wayne area and a nine-county area in northeast Indiana through creative business loan programs.

**Redevelopment Commission** promotes and implements opportunity projects, acting as a catalyst to develop areas that have shown a cessation of growth and lack of development. This is done through techniques including real estate acquisition, site preparation and/or providing public infrastructure to the site. Financing resources generally used are Tax Incremental Financing (TIF) and Redevelopment General Obligation Bonds.

**Urban Enterprise Association (UEA)** works to revitalize Fort Wayne's industrial core. The UEA works to foster growth of new and established businesses, create and retain jobs, make physical improvements, and enhance the well-being of area residents.

### **Deputy Director of the Office Housing and Neighborhood Services (OHNS)**

Working under the Division Director, this Director oversees the implementation of initiatives to attract and support housing investment and reinvestment in the City and expand access to safe, decent, affordable housing. The Deputy Director oversees administration of the City's entitlement programs, including Community Development Block Grant (CDBG). HOME Investment Partnerships Program (HOME), and Emergency Solutions Grant Program (ESG); each is funded through the U.S. Department of Housing and Urban Development. OHNS administers three non-entitlement grants: Neighborhood Stabilization Program, Neighborhood Stabilization Program 3 and Lead Hazard Reduction Program. OHNS also operates several housing and neighborhood development programs: Homeowner Repair, Homebuyer Education, Down Payment Assistance, Rental Rehab and Ready to Rent.

### **Director of Neighborhood Code Enforcement**

Working under the Division Director, this Director oversees the daily operations of Neighborhood Code Enforcement. NCE works to ensure safe housing and stable property values for the citizens of the community by eliminating unsafe structures, securing vacant structures and cleaning-up blighted areas.

## **METROPOLITAN HUMAN RELATIONS**

Metropolitan Human Relations Commission is the local civil rights law enforcement agency, responsible for enforcement of the civil rights laws, including Federal, State and local statutes which prohibit discrimination in the areas of employment, housing, public accommodation and education on the basis of race, color, sexual orientation, age religion, national origin, ancestry, or disability. The Commission is also committed to serving as a resource through provision of education, training and outreach on issues of diversity and the anti-discrimination provisions of the law, to groups, businesses, organizations, members of the community and other local government departments.

In Fort Wayne you have the right to live, work, learn and play free from illegal discrimination. The Metropolitan Human Relations Commission is focused and committed to creating an environment in the City of Fort Wayne that will produce an inclusive community where trust, acceptance, fairness and equality are the City's norms. The Commission is committed to accomplishing this mission by empowering the citizens of Fort Wayne through education on diversity and discrimination issues and, when necessary, enforcing anti-discrimination laws in order to protect our community from unlawful discrimination and also unfounded allegations of discrimination.

## **PUBLIC WORKS**

The Division of Public Works provides essential services and support to our citizens, neighborhoods, businesses, and economic development projects.

The Public Works Division maintains and improves the city's transportation systems; street and traffic lighting; leaf collection, street sweeping, snow and ice control; flood fighting and control; trails and greenways, solid waste and recycling; and the city's fleet. Responsibility for managing the various departments listed below resides with the Director of Public Works.

### **Public Works Administration**

This Department includes the support staff for the Board of Public Works. It is the center for processing construction projects, public hearings and a variety of other functions related to purchasing and contracting.

### **Barrett Law**

The primary purpose of the Barrett Law office is the performance of all accounting functions necessary to administer the Barrett Law process according to Indiana Code. This includes invoicing, recording receipts and disbursements, filing of waivers, issuance of bonds, pro-rating available cash for individual bond issues, monitoring and investment of funds, preparation of various supporting schedules, etc.

Since the development of an automated system with the capability of computer interface with Allen County real estate files, the Barrett Law office prepares property ownership lists and assessment rolls for all projects. The office also performs research and serves as an information source for the general public as well as other City departments in regard to the purpose, procedures and regulations governing the system.

### **Solid Waste    Recycling Management**

The Solid Waste / Recycling Department is responsible for administering and monitoring the City's residential garbage and recycling collection, garbage/recycle cart purchasing, disposal/processing contracts and maintenance contracts. Solid Waste also administers/oversees the Garbage/Recycling User Fee billing and appeals process. Additionally, the department is involved in other waste issues such as waste collection contracts for City facilities, illegal dumping, enforcement of the City's garbage ordinance, litter prevention programs, waste reduction and recycling education, and citywide clean-up programs.

### **Transportation Administration    Support**

The functions of this group are varied, and generally fall within three department subsets: a surveying-drafting-inspection group; a permit and plan review group; and an administrative-clerical group.

Department staff provides surveying, drafting, and inspection services necessary for the successful completion of street, curb, and sidewalk projects. Employees in this group also assess and report on pavement condition in order to maintain and update our pavement management system.

Other employees in this department are responsible for fielding a variety of other customer service requests, responses, and interactions. These responsibilities include permit functions; plan review of developer projects; investigation and reporting functions; data base maintenance activities; blueprint reproduction services; right of way acquisition functions; and general customer service activities.

Department personnel also provide financial management, budgeting, purchasing, payroll, and clerical support services needed within the Transportation division.

### **Flood Control**

The Flood Control Department is responsible for ensuring that property damage is minimal due to flooding. The Department continuously monitors and maintains the early flood warning system and its 34 sites and maintains approximately 15 miles of flood protection structures. Flood Control is responsible for the repair and rehabilitation of all levees and floodwalls ensuring that they are in flood ready condition. The Department writes federal grants and/or oversees the administration of approved federal grants, acquiring and demolishing residential and commercial properties in the floodplain and returning the land to green space. The Department is also responsible for the National Flood Insurance Program's **(CRS)** Community Rating System involving community floodplain management activities. Because the city participates in this federal program residents are given a 10% discount on their flood insurance premiums.

### **Transportation Engineering Services/Street Project Management**

Street Project Management is responsible for the design, preparation of plans, specifications, construction management, and inspection for all new construction and repairs for streets, alleys, sidewalks, curbs, and curb ramps in the City of Fort Wayne. Many construction projects are the result of request from citizen's petitions filed by property owners through the Barrett Law process, applications through the Community & Economic Development Block Grant Program and a yearly street-resurfacing program established by the Division of Public Works. Street Project Management also reviews subdivisions submitted for construction, commercial building developments and residential and commercial driveway applications to ensure they meet applicable codes and standards.

### **Traffic Engineering**

The Traffic Engineering Department provides the following services to the public: design, install, and maintain traffic signals and other traffic control devices, including but not limited to pedestrian signals, school zone flashers; design, install and maintain the central traffic control system for the City; design, install and maintain signs and pavement markings; perform traffic studies related to vehicular and pedestrian safety, vehicular speeds, roadway and pedestrian capacity, parking, neighborhood traffic calming, special signage, and roadway design deficiencies; evaluate areas with high crash histories for safety improvements; perform and evaluate traffic impact studies where new land use developments are proposed; address citizen complaints regarding traffic issues.

### **Street Lighting**

The Street Lighting Department provides the following services to the public: design and install new street lights and systems that provide safe and efficient illumination for both motorists and pedestrians during nighttime hours. Maintain and update over 33,925 existing City Street Lights.

Street Light Engineering adheres to the standards of both the American National Standards Institute and the Illuminating Engineering Society of North America for the design of the City's street lighting systems.

## **Street Department**

The Fort Wayne Street Department is responsible for the cost-efficient maintenance and construction of the more than 1,200 miles of City streets. The Street Department also maintains the alleys. The Street Departments work is divided into three separate Seasons: Summer Construction, Leaf Season and Snow Season. During spring and summer months, crews mow roadside right-of-ways; sweep up approximately 3,500 tons of debris, repair potholes, and resurfacing of the streets & alleys. During the fall the department completes a citywide leaf collection, and during the winter the focus is on snow and ice removal on all city streets.

## **Fleet Management**

The Fleet Management Department is responsible for approximately 1,835 city owned vehicles and ancillary equipment. The Fleet Director oversees the contract with the private company, which provides vehicle maintenance services to the City's fleet. The department is also responsible for developing approval policies for vehicle use, preventive maintenance and replacement. Maintaining compliance with environmental regulations and making environmental improvements also fall under the Directors responsibilities.

## **Greenways Department**

The Greenways Department is responsible for the planning, design and construction of the Fort Wayne Trails Network. The Greenways Department also oversees the maintenance of the trail system by working with the Fort Wayne Parks and Recreation Department, the Street Department, Traffic Operations, Volunteer Greenway Rangers and Adopt-A-Greenway Groups. The Department works with Fort Wayne Trails, Incorporated to plan, fund, promote and advocate for existing and future trails. Staff coordinates volunteer activities and events, including Trek the Trails and Bike Month. The Department works with neighborhoods, businesses, community organizations, other City Departments, Allen County, the State of Indiana and Federal Agencies to develop and maintain the Fort Wayne Trails network. Furthermore, the Department works with other jurisdictions to integrate the Fort Wayne Trails Network into a regional network of trails.

## **PARKS AND RECREATION**

The Parks and Recreation Department maintains over 2,800 acres of public park land and provides a variety of recreation facilities, programs, and services for the Fort Wayne community. The Fort Wayne Parks Department was created in 1905 when the Indiana General Assembly adopted the Cities and Towns Law. The Parks and Recreation Department is administered by a four member bipartisan Board of Park Commissioners. Each commissioner is appointed by the Mayor and serves a four-year term. The Park Board reviews and approves the annual budget, approves expenditures, holds regular public meetings as required by law and approves the awarding of all contracts. The Parks and Recreation Department is nationally recognized being a CAPRA accredited agency.

## **Administration/Marketing**

The Administration Division is responsible for the financial accounting, personnel, budgeting, purchasing, MIS, and administration functions of the department.

The Marketing Division was created in 1989 and is responsible for public relations, promotions, customer service, grant writing, service quality, strategic planning, marketing research, corporate sponsorship, and other marketing/planning functions. The Botanical Conservatory and the Foellinger Theatre are part of this Division.

## **Headwaters Park**

The Department contracts with the not-for-profit Headwaters Alliance for the maintenance and operation of this spectacular 40-acre park on the north edge of downtown. Headwaters Park has become the focal point for community festivals, special events and an aesthetic gateway to the downtown area.

## **Parks/Horticulture/Forestry**

This Division is responsible for operation and maintenance of the park land, facilities, building repairs, and maintenance. The Forestry and Horticulture Division is responsible for park and street trees, public gardens, flower beds, park landscaping and operates three (3) greenhouses. Engineering, Park Planning and Design is administered here.

## **Leisure Services**

The Leisure Services Division is responsible for the recreational programs managed by the Department. Facilities include: three public golf courses, two tennis centers, 50 public tennis courts, four community recreation centers, three swimming pools, six splash pad/spray grounds, three day camps, a nature preserve, and a reservoir. The Division hosts a number of citywide special events, offers competitive and instructional programs in athletics and outdoor recreation, operates supervised playgrounds, and manages a travel department for families and adventure travelers. Classes covering a variety of special interests for pre-school through older adult are offered. Concerts, arts programs, and cultural events are also provided by the division. The signature programs, like The Lifetime Sports Academy and the Salomon Farm Park are part of Leisure Services.

## **Fort Wayne Children's Zoo**

The award winning Fort Wayne Children's Zoo is operated under our operating agreement between the Fort Wayne Parks and Recreation Division and the Zoological Society.

# **PUBLIC SAFETY**

## **Department of Public Safety**

This Department maintains order and protects the rights and property of the citizens of Fort Wayne. The Fire Chief and Chief of Police serve as the Directors of Public Safety. The Directors retain responsibility for major policy decisions, budgeting, long-range planning and the day-to-day coordination of six departmental divisions: Police, Fire, Animal Control, Human Resources, and Weights and Measures. The Division Directors serve as the Mayor's appointee on many commissions and councils in order to coordinate activities and plan cooperative efforts with other state and local agencies.

The Board of Public Safety has three (3) members who are appointed by the Mayor, who has authority over the hiring, promotion and discipline of the Fort Wayne police officers. The Board of Public Safety also oversees the licensing and policies regarding taxis. The Fire Merit Board has three (3) members appointed by the Mayor and two (2) members elected by the firefighters. The Board is the authority responsible for hiring, promotion, evaluation and discipline of the Fort Wayne firefighters.

## **Police Department**

It is the mission of the Fort Wayne Police Department in partnership with the community, to strive to protect the life, property, and personal liberties of all individuals. We believe that the overall quality of life for all residents will improve through the deterrence of criminal activity and an understanding of the diversity of cultures within this community. Furthermore, we recognize the need for fair and impartial enforcement of the law, with

attention given to the highest possible quality of service delivery to the community. The department is responsible for maintaining order within the city limits of Fort Wayne.

### **Fire Department**

It is the mission of the Fort Wayne Fire Department to prevent the loss of life and to control or reduce the loss to property. The mission will be accomplished through the services provided by the Operations, Fire Prevention Bureau, Investigation, Safety Education, Training and Development and Administrative Divisions. These divisions provide for firefighting, emergency hazardous materials stabilization, emergency rescue, EMS - first responder, underwater rescue/recovery, public education, building inspections, fire investigations, fire safety training, and other miscellaneous services. The Fire Department provides services to the entire City of Fort Wayne with mutual assistance to the surrounding departments upon their request.

### **Radio Shop**

The Radio Shop of the Fort Wayne Police Department is responsible for the planning, design, construction, maintenance and operation of all electronic communication systems utilized by the City of Fort Wayne and the Combined Communications Partnership (CCP). The Radio Shop is also responsible for the installation and maintenance of electronic equipment utilized in Police and Fire vehicles.

### **Records**

The Records Division is responsible for maintaining all electronic and printed documents produced by the Fort Wayne Police Department. Additional responsibilities include Tele-Service, processing personal protection permit applications, taking all walk-in reports and requests for documents, and for fingerprinting all prisoners processed into the Allen County Jail.

### **Animal Care and Control**

The Department of Animal Care and Control faces the public health and safety issues involving animals using a proactive approach. Local and state legislation is used to address pet overpopulation, responsible pet ownership issues, and cruelty or violence issues involving animals. The success of the approach would not be possible without positive community outreach and education, the job of our Humane Education Department. Protection of both citizens and animals along with efforts to minimize euthanasia of unwanted animals through spay/neuter promotion all strongly reflect the neighborhood and community driven origins of this agency. Involvement of the citizens through our volunteering program has also been crucial to departmental advancement. This department's county contracts provide an overall "one stop" for city and county residents in need of services, wishing to adopt an animal, seeking educational outreach materials, or assistance with lost/found pets.

### **Weights Measures**

The goal of the Division of Weights and Measures is to provide equity in the marketplace for businesses and consumers alike. It is responsible for testing and inspection of all commercial weighing and measuring devices. The department enforces State codes and City ordinances governing weights and measures, and orders corrections of and/or condemns or confiscates faulty devices or commodities. Weights and Measures is also responsible for licensing taxi drivers, issuing permits for taxicabs, and enforcing the taxi ordinance for the Board of Safety.

**Fort Wayne at a Glance  
As of December 31, 2012**

Date Founded	October 22, 1794
Date of Incorporation	February 22, 1840
Population	254,397
Area in Square Miles	110.6
Miles of Streets	1,294
Number of Street Lights	33,922
Miles of Water Lines	1,164
Miles of Sewer/Stormwater Mains	1,879
Number of City Employees	1,861
Local Statistics: (December 12)	
Fort Wayne Metropolitan Service Area - Area	
Population	204,316
Employed	187,655
Unemployed	16,689
Unemployment Rate	8.2
Buildings Permits - Ft. Wayne & Allen County - December 31, 2012	
Total New Construction - Number of Permits	732
Total New Construction - Estimated Assessed Value	\$ 90,695,206
Total Construction Permits - Number of Permits	2,637
Total Construction Permits - Estimated Assessed Value	\$ 53,581,586
Relative Size	2nd largest city in Indiana
Form of Government	Elect Mayor, Clerk, Councilperson (9)
Airports	Fort Wayne International, Smith Field
Rail Service	Chicago Fort Wayne and Eastern Railroad
Motor Carriers	33
Public Transportation Routes	13
Taxi Service	12 cab companies, 13 limousine companies
Bank Holding Companies	9
Bank/Finance Companies	30
Credit Unions	21
Museums	15
Media	3 monthly, 3 weekly, 2 daily newspapers; 8 TV stations; 11 cable & satellite systems, 17 radio stations
Market Location	Area within 250 miles of Fort Wayne includes a population of 43.9 million, or 14.5% of the total U.S. population; 70th Largest City in United States

Parks & Recreation	86 parks & playgrounds covering 2,805 acres, including: 1 campground, 20 rental pavilions, 13 open shelters (not reserved), 62 tennis courts, 20 soccer fields, 3 public golf, 18 more golf courses and 1 public nine-hole golf course, 2 driving ranges, 1 skatepark rink, 1 seasonal ice skating rink, 39 baseball/softball diamonds, 2 Frisbee golf courses, 4 swimming pools, 7 Spray parks, 26 basketball courts, 1 outdoor theater, 1 community center, 3 youth centers, Children's Zoo, The Old Fort, Salomon Farm Learning Center, Botanical Gardens, 1 Little Tikes Sports Center
Water System	Municipality owned, treatment capacity of 72 million gallons/day
Sewerage System	Municipality owned, treatment capacity of 60 million gallons/day
Electric Utility	3 - American Electric Power, Northwestern REMC, United REMC
Natural Gas	Northern Indiana Public Service Co., Vectron Energy, Northern Indiana Fuel & Light
Telephone	Frontier, Comcast, KMC, Breez, Indigital Telecom, MetaCom, Vonage, Earthlink
Garbage Service	City residents charge: \$9.95/mo. user fee for single family dwelling, \$19.90/mo. user fee for duplex, 3- or 4-plex. Services presently contracted with Republic Services
Curbside Recycling	3.4%
Fat/Laer Collection	0.6%
Gross Income Tax	0.4%
County Option Income Tax	7.0%
County Economic Development Income Tax	1.0%
State Sales and Use Tax	\$3,1537 per \$100 assessed value - 2011 pay 2012; City's portion is \$1,3274
Allen County Food & Beverage Tax	Rate by vehicle class: \$7.50 to \$25.00
Property Tax Rate (Fort Wayne - Wayne Township)	Cigarettes - 99.5 cents/pkg or 20; 124.375 cents/pkg or 25
Annual Wages Tax	Gasoline - 18 cents/gallon
State Excise Tax	Auto - various class rates
Hospitals	7
Churches	380
Number of Schools	Fort Wayne Community Schools 51 Northwest Allen County Schools 11 East Allen County Schools 17 Southwest Allen County Schools 10 Perich and Other Higher Education 27 15

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fort Wayne  
Indiana

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Mainell*

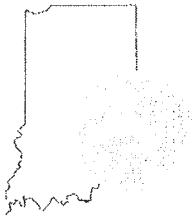
President

*Jeffrey R. Egan*

Executive Director

# FINANCIAL SECTION





**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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**INDEPENDENT AUDITOR'S REPORT**

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

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Fort Wayne (City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of three of the eight discretely presented component units, Fort Wayne Urban Enterprise Association Inc., Fort Wayne Public Transportation Corporation, and Community Development Corporation of Fort Wayne, which represent 21.61 percent and 55.72 percent, respectively, of the assets and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for those three discretely presented component units, is based solely on the report of the other auditors. 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 and the reports of other auditors are sufficient and appropriate to provide a basis for our audit opinions.

**INDEPENDENT AUDITOR'S REPORT**  
(Continued)

***Opinions***

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City as of December 31, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules (General and Major Special Revenue funds), Modified Approach Schedules, Schedules of Funding Progress, and Schedules of Contributions from the Employer and Other Contributing Entities 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.

The Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 Budgetary Comparison Schedules (General and Major Special Revenue funds) are fairly stated in all material respects in relation to the basic financial statements as a whole.

We have applied certain limited procedures to the other required supplementary information listed above 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 and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other budgetary comparison schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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

**INDEPENDENT AUDITOR'S REPORT**  
(Continued)

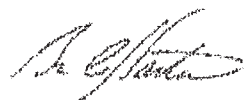
other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, combining and individual nonmajor fund financial statements and other budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Included in the financial statements are the revenues and expenses from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with IC 36-8-16-14 and IC 36-8-16.5-41 these fees have been subject to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2013, on our consideration of the City'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 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 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 City's internal control over financial reporting and compliance.



Bruce Hartman – State Examiner  
State Board of Accounts

June 27, 2013

## Management's Discussion and Analysis

As management of the City of Fort Wayne (the City), we offer the following discussion as insight into the financial performance of the City for the fiscal year ended December 31, 2012. To gain a fair understanding of the City's financial position, this discussion and analysis should be read in conjunction with our letter of transmittal, the basic financial statements, and the notes to the basic financial statements.

### Financial Highlights

- The assets of the City exceeded its liabilities at the end of 2012 by \$1,134.7 million. Of this amount, \$70.8 million is considered unrestricted. The unrestricted net position of the City's governmental activities is \$46.4 million. The unrestricted net position of the City's business-type activities is \$24.5 million.
- The net position of the City's governmental activities increased \$33.9 million (or 5.53 percent from 2011) in 2012. The net position of the City's business-type activities decreased \$25.7 million (or 5.0 percent from 2011).
- At the end of 2012, the City's governmental funds reported a combined ending fund balance of \$168.4 million. The combined governmental funds' fund balance increased by \$56.4 million (or 50.34 percent from 2011). City's total fund balance includes \$16.6 million as nonspendable, \$8.3 million as restricted, \$6.0 million as committed, \$131.6 million as assigned and \$5.8 million as unassigned fund balance. The above mentioned fund balances have been classified per GASB 54. (See Note 1)
- At the end of 2012, unassigned fund balance for the general fund was \$7.5 million or 8.56 percent of the 2012 general fund expenditures.
- The City's total debt increased by \$51.8 million (or 8.98 percent) during 2012 due to business-type activities.

### Overview of the Financial Statements

This discussion and analysis is an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. In addition to the basic financial statements, this Comprehensive Annual Financial Report (CAFR) includes other supplementary information along with the statistical section.

**Government-wide financial statements.** The government-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting, in a manner similar to private-sector businesses. The government-wide financial statements are composed of two statements: the statement of net position and the statement of activities.

The statement of net position presents information on all of the City's assets and liabilities, and deferred outflows and deferred inflows of resources, with the difference between them reported as net position. Net position is then broken down between governmental and business-type activities. Over time, increases or decreases in net position will show the fluctuation in the City's financial position.

The statement of activities presents information on all of the City's revenues and expenses, showing how the government's general expenses less the program revenues equal net expenses for the most recent fiscal year. General revenues are then subtracted from net expenses to get the change in net position. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. Thus, revenues and expenses reported

in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City 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 the City include general government, public safety, highways and streets, sanitation, health and welfare, economic opportunity, economic development, culture and recreation, urban redevelopment and housing, and interest on long-term debt. The business-type activities of the City include a water system, wastewater system, storm water service, parking garage administration, solid waste service, electric utility, and a yard waste system.

The government-wide financial statements include not only the City itself (primary government), but also a few legally separate units: Neighborhood Care, Inc. (HANDS), Summit Development Corporation (Summit), Fort Wayne Urban Enterprise Association, Inc. (UEA), Allen County Fort Wayne Capital Improvement Board of Managers (CIB), Fort Wayne Redevelopment Authority (RA), Fort Wayne Public Transportation Corporation (PTC), Downtown Fort Wayne Economic Improvement District (DID) and Community Development Corporation (CDC) for which the City is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself. The financial statements of these component units can be found in their entirety on file in the City Controller's office at 200 E. Berry Street, Suite 470, Fort Wayne, Indiana 46802. The Fort Wayne Municipal Building Corporation and the Consolidated Communications Partnership (CCP) are legally separate from the City, but since their nature and relationship with the City is significant, they are an integral part of the primary government.

The government-wide financial statements can be found on pages 48-50 of this report.

**Fund financial statements.** A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, with its related liabilities, and corresponding equity balances. Some funds are required to be established by State Law and by bond covenants, while others are adopted to help control monies set aside for a specific purpose. The City of Fort Wayne, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for most of the City's basic services. These funds generally do not provide enough revenue to completely cover their expenses; therefore, they need taxes, fees, interest or any other intergovernmental revenue to help support them. These funds use the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund financial statements focus on near-term inflows and outflows of unrestricted resources, as well as on balances of unrestricted resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement. The basic governmental fund financial statements can be found on pages 51-54 of this report.

**Proprietary funds.** When the City charges a fee to cover the entire cost of an operation, whether to outside customers or to other units of the City, the services are generally classified as a proprietary fund. There are two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. These funds are completely self-supported by providing services to *outside customers* of the City. The City uses enterprise funds to account for its water, wastewater, storm water, solid waste, parking garages, electric, and yard waste operations. Internal Service funds are used to report activities that provide services and supplies for the other City departments. The City uses internal services funds to account for its

self insurance and garage services. The internal service funds are reported within the governmental activities section of the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 55-57 of this report.

**Fiduciary funds.** Fiduciary funds are funds held by a governmental unit as an agent or a trustee. They are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City holds two types of fiduciary funds: pension trust funds and agency funds. Pension trust funds are used to account for pension plans held by the City on behalf of its employees. The City uses pension trust funds to report the police pension, fire pension, and sanitary officers' pension funds. Agency funds are used to account for monies held by the City for an external party. The City uses an agency fund to report the Fort Wayne Neighborhood Housing Partnership (FWNP). The basic fiduciary fund financial statements can be found on pages 58-59 of this report.

**Notes to the financial statements.** The notes are a required part of the basic financial statements that provide necessary information for the understanding of the City's financial report. The notes to the financial statements can be found on pages 63-113 of this report.

**Other information.** The City is also required to provide more detailed information about certain issues disclosed in required supplementary information (RSI) schedules. The City's RSI schedules include: Budgetary Comparison Schedule for General Fund and Major Special Revenue Funds, Comparison of Needed-to-Actual Maintenance/Preservation including the condition rating of the City's street system, Schedule of Funding Progress, and the Schedule of Contributions from the Employer and other Contributing Entities. The combining financial statements for the non-major governmental funds, non-major enterprise funds, and the internal service funds are found immediately following the RSI schedules listed above. The RSI schedules can be found on pages 115-120 of this report.

City of Fort Wayne  
Net Position  
(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total		Component Units	
	2012	2011	2012	2011	2012	2011	2012	2011
Assets	\$ 197,396	\$ 141,357	\$ 150,509	\$ 215,335	\$ 347,905	\$ 356,692	\$ 101,596	\$ 99,875
Capital assets	737,506	766,703	708,770	652,292	1,446,276	1,418,995	57,688	55,269
Total assets	934,902	908,060	859,279	867,627	1,794,181	1,775,687	159,284	155,144
Current liabilities	19,811	17,025	20,211	47,484	40,022	64,509	2,667	4,640
Noncurrent liabilities	269,066	278,881	350,434	305,767	619,500	584,648	96,576	99,950
Total liabilities	288,877	295,906	370,645	353,251	659,522	649,157	99,243	104,590
<b>Net position</b>	<b>\$ 646,025</b>	<b>\$ 612,154</b>	<b>\$ 488,634</b>	<b>\$ 514,376</b>	<b>\$1,134,659</b>	<b>\$ 1,126,530</b>	<b>\$ 60,041</b>	<b>\$ 50,554</b>
Net Investment in Capital Assets	\$ 599,664	\$ 621,722	\$ 428,454	\$ 417,439	\$1,028,118	\$ 1,039,161	\$ 36,108	\$ 29,958
Restricted	-	-	35,726	68,707	35,726	68,707	16,599	13,030
Unrestricted	46,361	(9,568)	24,454	28,230	70,815	18,662	7,334	7,566
<b>Total net position</b>	<b>\$ 646,025</b>	<b>\$ 612,154</b>	<b>\$ 488,634</b>	<b>\$ 514,376</b>	<b>\$1,134,659</b>	<b>\$ 1,126,530</b>	<b>\$ 60,041</b>	<b>\$ 50,554</b>

### Government-wide Financial Analysis

The City's (primary government) assets exceeded liabilities by \$1,134.7 million at the close of 2012. The largest portion of the City's net position (total assets less total liabilities), which amounts to \$1,028.1 million (or 90.61 percent), reflects its investment in capital assets (e.g., land, distribution and collection, roads, buildings and improvements, machinery and equipment, construction in progress, and net investment in joint venture), less any outstanding debt used to acquire these assets. These assets are designated as net investment in capital assets because they are used to provide the everyday services the citizens of the City expect; they are not liquid and are not available for future spending. The debt associated with these capital assets must be paid from sources other than the capital assets themselves because, as stated before, they cannot be used as a liquid asset.

The remainder of the City's net position is designated as either restricted or unrestricted. The restricted portion, which totals \$35.7 million (or 3.15 percent), are dollars that are subject to an external restriction and cannot be spent on everyday operations. The unrestricted portion of the net position is \$70.8 million (or 6.24 percent).

At the end of 2012, the City shows a positive net position figure as a whole as well as in the governmental and business-type activities sections individually. This shows that the City has been able to make sound financial decisions over the past several years leaving them with a solid equity base on which to build.

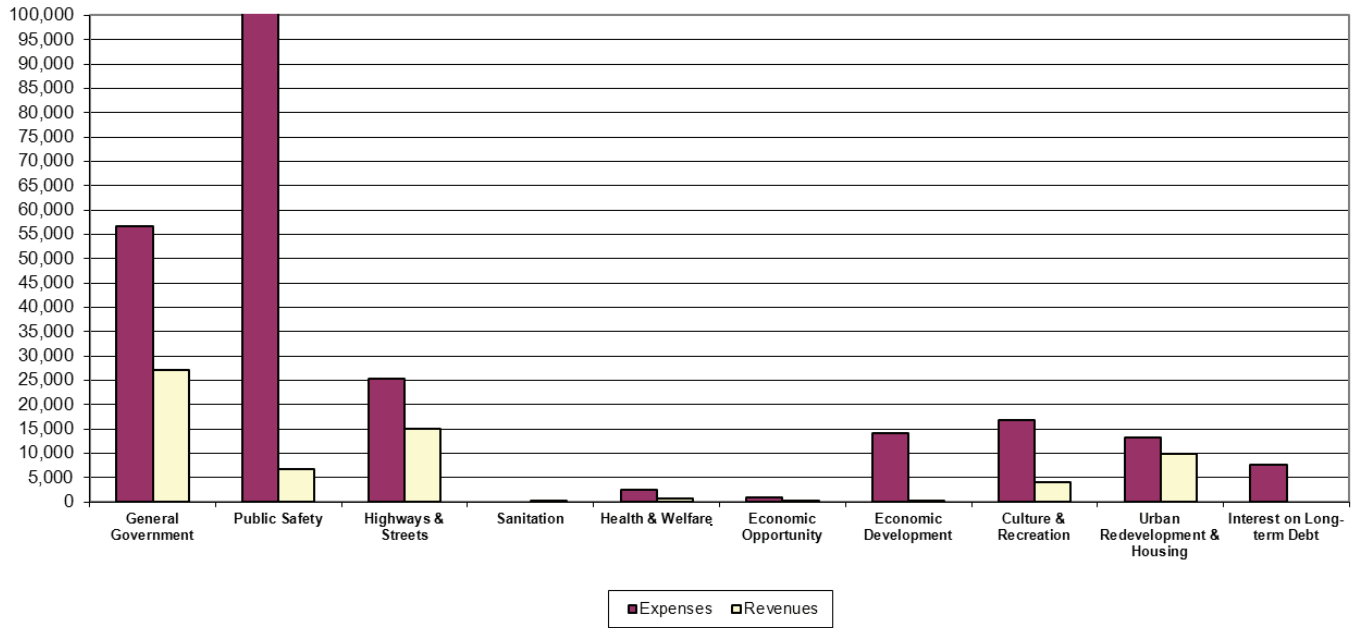
The City's component units showed assets exceeding liabilities by \$60.0 million at the end of 2012. Of the net position (total assets less total liabilities), \$36.1 million reflects its investment in capital assets less any debt used to acquire these assets that is still outstanding. These assets are designated as invested in capital assets because they are used to provide the everyday services to the users of the component units, these assets are not liquid and are not available for future spending. The debt associated with these capital assets must be paid from sources other than the capital assets themselves because, as stated before, they cannot be used as a liquid asset. Unrestricted net assets equal \$7.3 million at the end of 2012. These assets may be used by the City's component units for normal operations.

**City of Fort Wayne**  
**Changes in Net Position**  
(amounts expressed in thousands)

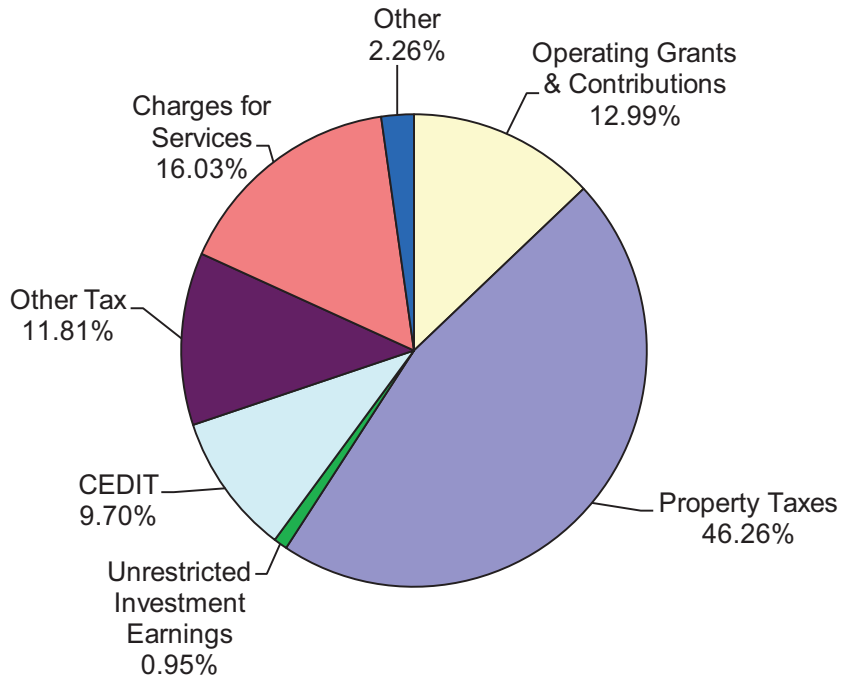
	Governmental Activities		Business-type Activities		Total		Component Units	
	2012	2011	2012	2011	2012	2011	2012	2011
<b>Revenues-</b>								
Program revenues:								
Charges for services	\$ 35,254	\$ 29,602	\$ 107,450	\$ 107,167	\$ 142,704	\$ 136,769	\$ 11,962	\$ 11,073
Operating grants and contributions	28,575	24,575	-	-	28,575	24,575	5,212	4,715
Capital grants and contributions	-	-	2,554	8,808	2,554	8,808	8,634	2,317
General revenues:								
Property taxes	101,741	102,373	-	-	101,741	102,373	-	-
CEDIT	21,325	30,610	-	-	21,325	30,610	-	-
Local assessments and taxes	-	-	-	-	-	-	5,376	5,261
Indiana room tax	-	-	-	-	-	-	2,939	2,690
Other taxes	25,974	31,563	-	-	25,974	31,563	-	-
Investment earnings	2,087	135	186	289	2,273	424	42	67
Refunds and reimbursements	-	-	-	-	-	-	-	-
Other	4,964	5,643	-	-	4,964	5,643	140	79
<b>Total revenues</b>	<b>219,920</b>	<b>224,501</b>	<b>110,190</b>	<b>116,264</b>	<b>330,110</b>	<b>340,765</b>	<b>34,305</b>	<b>26,202</b>
<b>Expenses:</b>								
General government	56,625	37,750	-	-	56,625	37,750	-	-
Public safety	117,074	99,720	-	-	117,074	99,720	-	-
Highways and streets	25,361	20,364	-	-	25,361	20,364	-	-
Health and welfare	2,428	2,360	-	-	2,428	2,360	-	-
Economic opportunity	859	853	-	-	859	853	-	-
Economic development	14,170	21,446	-	-	14,170	21,446	-	-
Culture and recreation	16,912	16,311	-	-	16,912	16,311	-	-
Urban redevelopment and housing	13,262	15,350	-	-	13,262	15,350	-	-
Interest on long-term debt	7,570	8,003	-	-	7,570	8,003	-	-
Water	-	-	30,862	30,173	30,862	30,173	-	-
Wastewater	-	-	36,862	35,442	36,862	35,442	-	-
Stormwater	-	-	6,341	6,645	6,341	6,645	-	-
Parking garages	-	-	840	1,031	840	1,031	-	-
Solid waste	-	-	10,303	9,538	10,303	9,538	-	-
Other	-	-	135	343	135	343	-	-
Hands	-	-	-	-	-	-	63	1
Summit	-	-	-	-	-	-	53	8
UEA	-	-	-	-	-	-	486	431
CIB	-	-	-	-	-	-	6,481	6,246
RA	-	-	-	-	-	-	2,947	3,550
PTC	-	-	-	-	-	-	13,265	13,116
DID	-	-	-	-	-	-	737	642
CDC	-	-	-	-	-	-	786	608
<b>Total expenses</b>	<b>254,261</b>	<b>222,157</b>	<b>85,343</b>	<b>83,172</b>	<b>339,604</b>	<b>305,329</b>	<b>24,818</b>	<b>24,602</b>
Inc(Dec) in net position before transfers	(34,341)	2,344	24,847	33,092	(9,494)	35,436	9,487	1,600
Transfers	69,181	7,575	(69,181)	(7,575)	-	-	-	-
Inc(Dec) in net position	34,840	9,919	(44,334)	25,517	(9,494)	35,436	9,487	1,600
<b>Net position -- January 1st</b>	<b>612,154</b>	<b>602,235</b>	<b>514,376</b>	<b>488,859</b>	<b>1,126,530</b>	<b>1,091,094</b>	<b>50,554</b>	<b>48,954</b>
Prior period adjustment - See Note 14	(969)	-	18,592	-	17,623	-	-	-
<b>Net position -- January 1st (Restated)</b>	<b>611,185</b>	<b>602,235</b>	<b>532,968</b>	<b>488,859</b>	<b>1,144,153</b>	<b>1,091,094</b>	<b>50,554</b>	<b>48,954</b>
<b>Net position -- December 31st</b>	<b>\$ 646,025</b>	<b>\$ 612,154</b>	<b>\$ 488,634</b>	<b>\$ 514,376</b>	<b>\$ 1,134,659</b>	<b>\$ 1,126,530</b>	<b>\$ 60,041</b>	<b>\$ 50,554</b>

**Governmental Activities.** The governmental activities accounted for a \$34.9 million increase in the City's total net position in 2012. The City was able to remain within or below its expense budget while still providing all of the necessary government services. The governmental activities represent 66.62 percent of the primary government's revenue and 74.87 percent of the primary government's expenses.

### Expenses & Program Revenues - Governmental Activities (Expressed in Thousands)

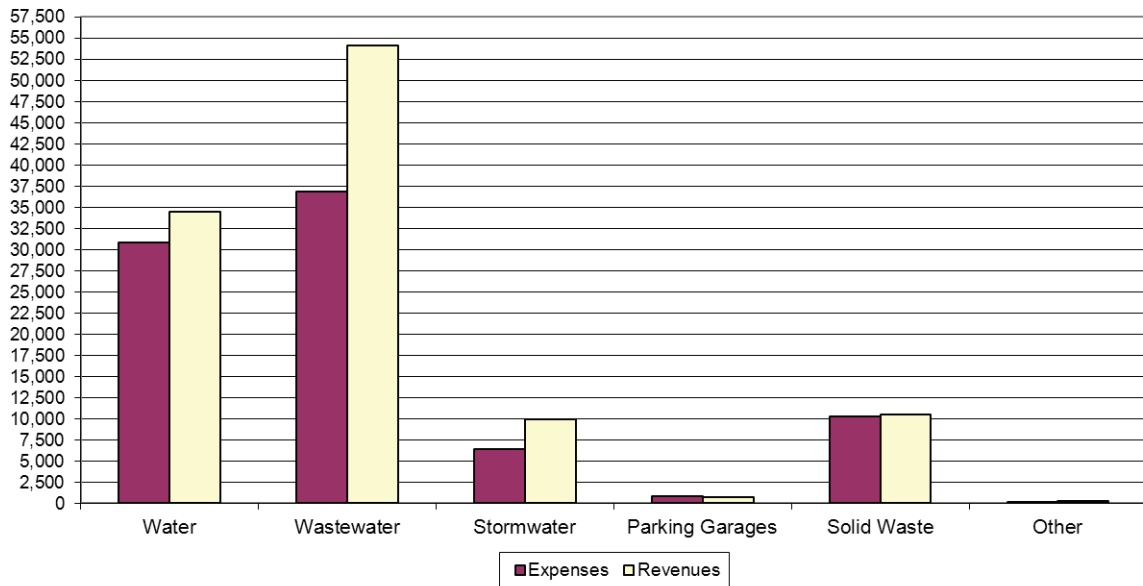


### Revenues by Source - Governmental Activities

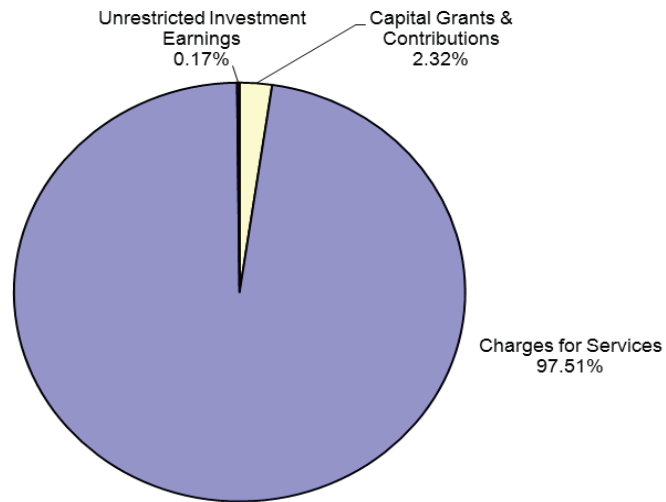


**Business-type Activities.** The business-type activities of the City decreased net position by \$44.3 million. Business-type activities represent 33.32 percent of the primary government's revenues and 25.13 percent of the expenses. The City's Water and Wastewater utilities account for 80.56 percent of the business-type activities' program revenues and 79.36 percent of the expenses.

**Expenses & Program Revenues - Business-type Activities**  
(Expressed in Thousands)



**Revenues by Source - Business-type Activities**



## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental funds.** The City's fund financial statements use modified accrual accounting providing information on near term inflows, outflows, and balances of available resources. This provides the reader with useful information regarding the City's financial position. The assigned/unassigned fund balances of the City's governmental funds gives good insight into its ability to meet current obligations as well as meet the City's ongoing service needs.

At the end of 2012, the City's governmental funds reported combined ending fund balances of \$168.4 million, an increase of \$56.4 million due to the addition of \$66.9 million from the Community Legacy Fund. Beginning with the 2011 reporting year, the City has adopted GASB 54 and has classified fund balances per the guidelines specified under GASB 54. The City's total fund balance includes \$16.6 million as nonspendable, \$8.3 million as restricted, \$6.0 as committed, \$131.6 million as assigned, and \$5.7 million as unassigned fund balance.

A portion of the City's governmental fund totals is made up of the General fund, the City's chief operating fund. At the end of 2012, the General fund had an unassigned fund balance of \$7.5 million and a total fund balance of \$8.2 million. As a measure of the General fund's liquidity, you can compare the total fund balance and unassigned fund balance to the total fund expenditures. The General fund expenditures for fiscal year ended 2012 were \$87.8 million. The total fund balance represents 9.39 percent of General fund expenditures, while the unassigned fund balance is 8.56 percent of that same amount.

The fund balance of the City's General fund decreased by \$10.6 million during the fiscal year ended 2012. During 2012, the General fund expenditures were not in line with revenues received due to the decision to leave the levy at the same level as 2011 as well as using the fund balance to cover additional appropriations needed in 2012.

The City has six other funds that meet the major fund criteria: the Highways and Streets, CEDIT, Parks, Fire, Redevelopment and Community Legacy. The combined fund balance at the end of 2012 for the other six major funds is \$133.4 million. This results in a net increase in fund balances for the other major funds of \$70.23 million from the prior year. The major reasons for this increase are:

- The Community Legacy fund balance increased by \$66.9 million at the end of 2012 mainly due to the transfer of the Community Trust from the Electric Utility to the City's Community Legacy fund (see Note 15).
- The Redevelopment fund balance increased by \$1.1 million to \$43.3 million at the end of 2012. This increase was due to an overall decrease in spending for infrastructure and improvement projects in 2012, which included various TIF projects and Redevelopment District Capital among others.
- The Parks fund balance increased by \$1.7 million to \$6.7 million at the end of 2012. This was due to a transfer from the CEDIT fund for future expenses relating to the Emerald Ash Borer.

The non-major governmental funds have a combined decrease of \$3.2 million to a fund balance of \$26.7 million at the end of 2012.

**Proprietary funds.** The City's proprietary funds use full accrual accounting to report information in their fund financial statements similar to the way things are reported in the government-wide financial statements.

The total net position of the City's enterprise funds at the end of 2012 were \$488.6 million. Of that total, the restricted net position was \$35.7 million, net investment in capital assets was \$428.4 million, and the unrestricted net position was \$24.5 million. This is a total decrease of about \$25.7 million of which \$11.0 million increased the net investment in capital assets, \$33.0 million decreased the restricted assets and the remaining \$3.7 million decreased the available unrestricted funds.

### **General Fund Budgetary Highlights**

The difference between the original adopted budget and the final amended budget was \$5.4 million. The difference is summarized as follows:

- \$109 thousand decrease in general government's appropriation
- \$1.9 million increase in public safety's appropriation
- \$3.6 million increase in highway and streets appropriation
- \$10 thousand decrease in health and welfare appropriation
- \$27 thousand decrease in economic development's appropriation

The actual expenditures were \$.6 million lower than budgeted, while the actual revenues of the general fund were \$3.6 million less than budgeted. For the year, the general fund balance decreased by \$10.6 million.

The 2012 final approved budget was \$88.415 million; actual expenditures amounted to \$87.798 million, leaving a \$617 thousand positive variance. The variance is summarized as follows:

- \$154 thousand for general government
- \$118 thousand for public safety
- \$187 thousand for highway and streets
- (\$21) thousand for health and welfare
- \$25 thousand for economic opportunity
- \$154 thousand for economic development

Of the \$617 thousand positive variance, \$313 thousand was in personal services. This variance was primarily due to unfilled positions as a result of resignations, retirements, and/or terminations. The remaining variance consisted of \$140 thousand for supplies expense, \$108 thousand for other services and charges, and \$56 thousand for capital outlays. These variances were incurred due to the City departments meeting the challenges of monitoring and controlling expenses while still maintaining adequate services to the City.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's Primary Government's capital assets as of December 31, 2012, are equal to \$1,446.3 million (net of accumulated depreciation). Capital assets include land, distribution and collection, roads, buildings and improvements, machinery and equipment, and construction in progress. The total increase in the City's capital assets for the current fiscal year was \$27.3 million or 1.92 percent (a 3.81 percent decrease for governmental activities and an 8.66 percent increase for business-type activities).

**Governmental activities.** Capital assets for the governmental activities total \$857.6 million with an accumulated depreciation figure of \$120.1 million for a net book value of \$737.5 million. This amount includes \$9.2 million in construction in progress reflecting capital projects in various stages of completion. The City chose to report its roads using the modified approach accepted under the new reporting model. This allows the City to make additions and deletions to the overall asset figure without actually depreciating. The conditions of the City's road pavement are measured using a pavement condition index (PCI). The City has adopted the following condition categories. "Very Good" (100-80), "Good" (79-60), "Fair" (59-40), "Poor" (39-20), and "Very Poor" (19-0).

It is the policy of the City to maintain a pavement condition index of good (79-60). In 2011, the City had a pavement condition index rating of "Good" (67). The City has maintained a "Good"

(65) rating in 2012. The City maintains there are no material variances between the budgeted expenditures and the actual expenditures for the maintenance of infrastructure for 2012.

More information regarding the modified approach can be found on pages 118 and 121-123 in the Required Supplementary Information (RSI) section of this report.

**Business-type activities.** Capital assets for the business-type activities total \$1,001.2 million with an accumulated depreciation figure of \$292.4 million for a net book value of \$708.8 million. The amount also includes \$89.7 million in construction in progress reflecting capital projects in various stages of completion.

Major projects include: Enhanced disinfection solution as required by the federal environment protection agency (UV disinfection) for drinking water treatment and improvements to storage at the treatment plant, continued work on projects to reduce the number of Combined Sewer Overflow (CSO's) and the volume of discharge directly to the rivers, improvements to increase the reliability and capacity of the wastewater treatment plant and the wet weather storage facilities, construction of a large equalization basin facility in the northern area of the sewer system to improve wet weather performance of collection system in that area, combined sewer capacity improvements to reduce the risk of basement backups, replacement of six miles of water main per year.

**Primary Government**  
**Capital Assets**, net of depreciation  
(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 38,619	\$ 38,455	\$ 9,701	\$ 9,511	\$ 48,320	\$ 47,966
Distribution and collection	-	-	532,365	509,348	532,365	509,348
Roads	522,348	522,302	-	-	522,348	522,302
Buildings and improvements	217,193	243,488	192,876	189,720	410,069	433,208
Machinery and equipment	70,309	68,223	176,575	171,740	246,884	239,963
Construction in progress	9,170	6,288	89,711	44,672	98,881	50,960
Less: Accumulated depreciation	(120,133)	(112,052)	(292,458)	(272,699)	(412,591)	(384,751)
<b>Total</b>	<b>\$ 737,506</b>	<b>\$ 766,704</b>	<b>\$ 708,770</b>	<b>\$ 652,292</b>	<b>\$ 1,446,276</b>	<b>\$ 1,418,996</b>

Additional information regarding the City's capital assets can be found in Note 3 on pages 77-79 of this report.

**Long-term debt.** At the end of the current fiscal year, the City's Primary Government had total bonded debt outstanding of \$299.6 million. Of this amount \$90.3 million is considered to be general obligation bonds, special obligation bonds, or first mortgage bonds. The City is responsible to pay for this debt with general revenues. The remaining \$209.3 million is revenue bonds that are paid for from the revenues earned by the business-type fund that is responsible for the debt.

**City of Fort Wayne**  
**Long-term Debt**  
(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 2,245	\$ 2,530	\$ -	\$ -	\$ 2,245	\$ 2,530
Special obligation bonds	54,045	61,450	-	-	54,045	61,450
First mortgage bonds	34,015	36,260	-	-	34,015	36,260
Capital leases	56,432	57,386	2,164	2,522	58,596	59,908
Notes & loans payable	7,862	9,621	134,951	134,356	142,813	143,977
Net pension obligation	94,171	94,406	618	198	94,789	94,604
Compensated absences	9,423	9,696	2,549	2,508	11,972	12,204
Other post-employnt ben liab	11,133	7,785	-	-	11,133	7,785
Other long-term liabilities	-	-	-	15	-	15
Revenue bonds	-	-	209,290	148,400	209,290	148,400
<b>Total</b>	<b>\$ 269,326</b>	<b>\$ 279,134</b>	<b>\$ 349,572</b>	<b>\$ 287,999</b>	<b>\$ 618,898</b>	<b>\$ 567,133</b>

The City's total debt increased \$51.8 million during the current fiscal year, including additions of \$118.5 million and reductions of \$66.7 million. This increase was due mainly to the addition of notes and loans payable of \$23.8 million and \$75.2 million in revenue bonds to invest in improvements in the Water and Wastewater Utility's infrastructure.

The City of Fort Wayne currently maintains an AA- rating from Standard & Poor's and an Aa2 rating from Moody's for its general obligation debt. The City's Water Utility maintains an A+ rating from Standard & Poor's and an Aa3 from Moody's for its revenue bonds. The City's Wastewater Utility has an A rating from Standard & Poor's and an Aa3 rating from Moody's for its revenue bonds.

Additional information on the City's long-term debt can be found in Note 5 on pages 80-89 of this report.

**Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for the City is currently 8.8 percent, which increased from a rate of 7.3 percent a year ago. The state average unemployment rate is 8.7 percent and the national average is 7.6 percent. The increase in the unemployment rate and the resultant lower individual earnings could manifest itself in future years as lower income tax revenues.

Due to the passage of House Bill 1001, starting in 2008 the amount of property taxes collected has been substantially reduced, causing a shortfall in City revenues. The new law also places permanent property tax caps on real estate values, which limits future property tax revenues. The City is continually reviewing its options as to where it can curtail expenditures and seeking solutions for replacing the current and future lost revenues.

These factors along with others were considered when preparing the City's budget for the 2013 fiscal year.

**Request for Information**

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Controller, City of Fort Wayne, Room 470 Citizens Square, 200 E. Berry Street, Fort Wayne, Indiana, 46802.

# BASIC FINANCIAL STATEMENTS



CITY OF FORT WAYNE  
STATEMENT OF NET POSITION  
December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Cash and cash equivalents-unrestricted	\$ 76,841,165	\$ 16,244,373	\$ 93,085,538	\$ 8,816,110
Investments-unrestricted	47,010,099	10,000,000	57,010,099	3,433,247
Receivables (net of allowances for uncollectibles):				
Accounts	-	10,232,612	10,232,612	312,176
Taxes	5,788,725	-	5,788,725	-
Intergovernmental	3,694,268	-	3,694,268	4,291,276
Loans	6,289,213	-	6,289,213	5,392,887
Miscellaneous	4,873,352	241,292	5,114,644	253,623
Installments receivable	29,145,000	-	29,145,000	-
Assessments receivable	562,825	1,140,538	1,703,363	-
Internal balances	1,561,086	(1,561,086)	-	-
Inventories	982,481	1,095,192	2,077,673	355,012
Prepaid expense	478,252	1,435,149	1,913,401	109,118
Assets held for resale	16,351,393	-	16,351,393	173,621
Deferred debits	1,506,868	3,797,569	5,304,437	889,132
Net investment in direct financing lease	229,041	-	229,041	66,628,203
Restricted assets:				
Cash and cash equivalents-restricted	2,082,484	97,797,655	99,880,139	7,213,524
Investments-restricted	-	10,085,500	10,085,500	-
Accounts receivable	-	-	-	3,728,077
Capital assets:				
Land, roads and construction in progress	570,137,487	99,412,030	669,549,517	1,432,770
Other capital assets, net of depreciation	167,368,197	609,358,444	776,726,641	56,254,996
Total assets	<u>934,901,936</u>	<u>859,279,268</u>	<u>1,794,181,204</u>	<u>159,283,772</u>
<u>Liabilities</u>				
Accounts payable	3,526,576	10,801,225	14,327,801	620,247
Wages and withholdings payable	763,101	1,639	764,740	-
Accrued group insurance benefits	1,453,447	-	1,453,447	-
Contracts payable	585,709	639,678	1,225,387	-
Retainage payable	99,946	-	99,946	-
Accrued interest payable	1,604,856	3,896,685	5,501,541	1,857,414
Customer deposits	-	1,371,631	1,371,631	38,656
Unearned revenue	11,233,845	-	11,233,845	-
Other current liabilities	543,433	3,500,576	4,044,009	150,323
Noncurrent liabilities:				
Due within one year:				
Compensated absences payable	9,311,413	1,083,404	10,394,817	-
Capital leases payable	6,267,253	368,788	6,636,041	1,099,532
Notes and loans payable	2,120,978	8,622,875	10,743,853	-
General obligation bonds payable	295,000	-	295,000	-
Special obligation bonds payable	6,460,000	-	6,460,000	-
First mortgage bonds payable	2,210,000	-	2,210,000	-
Revenue bonds payable	-	9,060,000	9,060,000	-
Lease rental revenue bonds payable	-	-	-	3,215,000

CITY OF FORT WAYNE  
STATEMENT OF NET POSITION  
December 31, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Due in more than one year:				
Compensated absences payable	112,146	1,466,128	1,578,274	-
Capital leases payable	50,164,478	1,794,994	51,959,472	23,903,462
Notes and loans payable	5,740,482	126,327,879	132,068,361	-
Mortgage payable	-	-	-	131,218
General obligation bonds payable (net)	1,844,021	-	1,844,021	-
Special obligation bonds payable (net)	47,305,394	-	47,305,394	-
First mortgage bonds payable (net)	31,930,940	-	31,930,940	-
Revenue bonds payable (net)	-	201,091,059	201,091,059	-
Lease rental revenue bonds payable (net)	-	-	-	64,434,663
Net pension obligation	94,171,299	618,321	94,789,620	-
Other postemployment benefits liability	11,132,749	-	11,132,749	2,630,632
Other noncurrent liabilities	-	-	-	1,161,280
<b>Total liabilities</b>	<b>288,877,066</b>	<b>370,644,882</b>	<b>659,521,948</b>	<b>99,242,427</b>
<u>Net position</u>				
Net investment in capital assets	599,663,536	428,453,754	1,028,117,290	36,107,688
Restricted for:				
Debt service	-	34,201,079	34,201,079	-
Capital projects	-	1,525,235	1,525,235	-
Component unit	-	-	-	16,599,331
Unrestricted	46,361,334	24,454,318	70,815,652	7,334,326
<b>Total net position</b>	<b>\$ 646,024,870</b>	<b>\$ 488,634,386</b>	<b>\$ 1,134,659,256</b>	<b>\$ 60,041,345</b>

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

CITY OF FORT WAYNE  
STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
<b>Governmental activities:</b>								
General government	\$ 56,624,948	\$ 20,022,851	\$ 7,133,650	\$ -	\$ (29,468,447)	\$ -	\$ (29,468,447)	\$ -
Public safety	117,073,744	4,556,089	2,262,812	-	(110,254,843)	-	(110,254,843)	-
Highways and streets	25,361,212	4,989,382	9,943,124	-	(10,428,706)	-	(10,428,706)	-
Sanitation	-	-	8,575	-	8,575	-	8,575	-
Health and welfare	2,427,916	351,282	343,678	-	(1,732,956)	-	(1,732,956)	-
Economic opportunity	859,447	-	223,036	-	(636,411)	-	(636,411)	-
Economic development	14,169,803	4,556	-	-	(14,165,247)	-	(14,165,247)	-
Culture and recreation	16,911,849	3,390,634	719,125	-	(12,802,090)	-	(12,802,090)	-
Urban redevelopment and housing	13,261,916	1,938,820	7,940,586	-	(3,382,510)	-	(3,382,510)	-
Interest on long-term debt	7,570,378	-	-	-	(7,570,378)	-	(7,570,378)	-
<b>Total governmental activities</b>	<b>254,261,213</b>	<b>35,253,614</b>	<b>28,574,586</b>	<b>-</b>	<b>(190,433,013)</b>	<b>-</b>	<b>(190,433,013)</b>	<b>-</b>
<b>Business-type activities:</b>								
Water	30,861,585	33,483,078	-	1,014,237	-	3,635,730	3,635,730	-
Wastewater	36,861,668	52,708,121	-	1,416,323	-	17,262,776	17,262,776	-
Stormwater	6,340,243	9,765,631	-	123,236	-	3,548,624	3,548,624	-
Parking garages	840,032	750,755	-	-	-	(89,277)	(89,277)	-
Solid waste	10,302,317	10,533,360	-	-	-	231,043	231,043	-
Electric	821	-	-	-	-	(821)	(821)	-
Yardwaste	134,196	208,686	-	-	-	74,490	74,490	-
<b>Total business-type activities</b>	<b>85,340,862</b>	<b>107,449,631</b>	<b>-</b>	<b>2,553,796</b>	<b>-</b>	<b>24,662,565</b>	<b>24,662,565</b>	<b>-</b>
<b>Total primary government</b>	<b>\$ 339,602,075</b>	<b>\$ 142,703,245</b>	<b>\$ 28,574,586</b>	<b>\$ 2,553,796</b>	<b>(190,433,013)</b>	<b>24,662,565</b>	<b>(165,770,448)</b>	<b>-</b>
<b>Component units:</b>								
HANDS	\$ 62,883	\$ 71,384	\$ -	\$ -	-	-	-	\$ 8,501
Summit	53,030	5,000	-	-	-	-	-	(48,030)
UEA	485,890	484,798	-	-	-	-	-	(1,092)
CIB	6,480,914	4,937,958	-	3,068,665	-	-	-	1,525,709
RA	2,947,393	3,477,000	-	-	-	-	-	529,607
PTC	13,265,226	1,649,318	5,011,175	5,565,748	-	-	-	(1,038,985)
DID	737,149	448,618	200,500	-	-	-	-	(88,031)
CDC	786,053	888,248	-	-	-	-	-	102,195
<b>Total component units</b>	<b>\$ 24,818,538</b>	<b>\$ 11,962,324</b>	<b>\$ 5,211,675</b>	<b>\$ 8,634,413</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 989,874</b>
<b>General revenues:</b>								
Property Taxes	-	-	-	-	101,741,414	-	101,741,414	-
County Economic Development Income Tax (CEDIT)	-	-	-	-	21,325,013	-	21,325,013	-
County Option Income Tax (COIT)	-	-	-	-	13,602,411	-	13,602,411	-
Excise Taxes	-	-	-	-	7,117,203	-	7,117,203	-
Sur/Wheel Taxes	-	-	-	-	4,566,893	-	4,566,893	-
Financial Institutions Taxes (FIT)	-	-	-	-	687,051	-	687,051	-
Local assessments and taxes	-	-	-	-	-	-	-	5,375,733
Indiana room tax income	-	-	-	-	-	-	-	2,939,218
Unrestricted investment earnings	-	-	-	-	2,087,098	185,718	2,272,816	42,012
Other	-	-	-	-	4,964,340	-	4,964,340	140,001
Transfers	-	-	-	-	69,181,442	(69,181,442)	-	-
<b>Total general revenues and transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225,272,865</b>	<b>(68,995,724)</b>	<b>156,277,141</b>	<b>8,496,964</b>
<b>Change in net position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,839,852</b>	<b>(44,333,159)</b>	<b>(9,493,307)</b>	<b>9,486,838</b>
<b>Net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>612,154,063</b>	<b>514,375,475</b>	<b>1,126,529,538</b>	<b>50,554,507</b>
<b>Prior period adjustment - See Note 14</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(969,045)</b>	<b>18,592,070</b>	<b>17,623,025</b>	<b>-</b>
<b>Net position - beginning - restated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>611,185,018</b>	<b>532,967,545</b>	<b>1,144,152,563</b>	<b>50,554,507</b>
<b>Net position - ending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$ 646,024,870</b>	<b>\$ 488,634,386</b>	<b>\$ 1,134,659,256</b>	<b>\$ 60,041,345</b>

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

CITY OF FORT WAYNE  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2012

	General	Highways and Streets	CEDIT	Parks	Fire	Redevelopment	Community Legacy	Non-major Governmental Funds	Totals
<b>Assets</b>									
Cash and cash equivalents	\$ 6,906,226	\$ 3,120,726	\$ 9,525,002	\$ 6,946,320	\$ 1,403,494	\$ 3,190,594	\$ 1,758,922	\$ 11,428,944	\$ 72,997,228
Investments	-	-	-	-	-	-	47,010,099	-	47,010,099
Receivables (net of allowances for uncollectibles):									
Taxes	2,944,125	-	626,310	526,988	1,667,610	23,354	-	338	5,788,725
Assessments	-	-	-	-	-	-	-	562,825	562,825
Intergovernmental	256,632	808,131	500	-	-	-	-	2,629,005	3,694,268
Loans	-	-	131,076	-	-	-	-	6,158,137	6,289,213
Miscellaneous	1,451,414	242,120	-	211,495	18,553	108,052	-	2,424,348	4,455,982
Installments	-	-	-	-	-	-	29,145,000	-	29,145,000
Interfund receivable - pooled cash	-	-	-	-	-	-	-	2,969,543	2,969,543
Interfund receivable	-	-	-	-	-	-	-	915,532	915,532
Due from other funds	1,315,093	-	3,046	598	-	-	-	35,644	1,354,381
Net investment in direct financing lease	229,041	-	-	-	-	-	-	-	229,041
Assets held for resale	-	-	-	-	-	11,615,418	-	4,735,975	16,351,393
Restricted assets:									
Cash and cash equivalents - restricted	-	-	2,082,484	-	-	-	-	-	2,082,484
<b>Total assets</b>	<b>\$ 13,102,531</b>	<b>\$ 4,170,977</b>	<b>\$ 12,368,418</b>	<b>\$ 7,685,401</b>	<b>\$ 3,089,657</b>	<b>\$ 43,654,418</b>	<b>\$ 77,914,021</b>	<b>\$ 31,860,291</b>	<b>\$ 193,845,714</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 785,960	\$ 188,918	\$ 187,163	\$ 398,720	\$ 101,423	\$ 146,061	\$ 44,611	\$ 377,040	\$ 2,229,896
Wages and withholdings payable	291,358	71,793	-	44,165	303,296	4,008	-	40,949	755,569
Contracts payable	239,845	-	-	-	-	-	-	12,697	252,542
Retainage payable	69,820	-	30,126	-	-	-	-	-	99,946
Interfund payable - pooled cash	271,018	-	-	-	-	165,000	2,854	2,969,543	2,969,543
Due to other funds	-	-	-	-	-	-	2,854	409,910	848,782
Unearned revenue	-	-	-	22,146	-	-	10,947,341	264,358	11,233,845
<b>Total liabilities</b>	<b>1,658,001</b>	<b>260,711</b>	<b>217,289</b>	<b>465,031</b>	<b>404,719</b>	<b>315,069</b>	<b>10,994,806</b>	<b>4,074,497</b>	<b>18,390,123</b>
<b>Deferred inflows of resources</b>	<b>3,201,863</b>	<b>-</b>	<b>626,810</b>	<b>526,988</b>	<b>1,667,610</b>	<b>23,354</b>	<b>-</b>	<b>1,039,473</b>	<b>7,086,098</b>
<b>Fund balances:</b>									
Nonspendable fund balance	-	-	-	-	-	11,615,418	-	4,960,007	16,575,425
Restricted fund balance	-	-	-	-	-	-	-	8,340,046	8,340,046
Committed fund balance	273,261	-	3,276,478	1,250,399	-	1,128,568	-	113,594	6,042,300
Assigned fund balance	455,799	3,910,266	8,247,841	5,442,983	1,017,328	30,572,009	66,919,215	15,071,726	131,637,167
Unassigned fund balance	7,513,607	-	-	-	-	-	-	(1,739,052)	5,774,555
<b>Total fund balances</b>	<b>8,242,667</b>	<b>3,910,266</b>	<b>11,524,319</b>	<b>6,693,382</b>	<b>1,017,328</b>	<b>43,315,995</b>	<b>66,919,215</b>	<b>26,746,321</b>	<b>168,369,493</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 13,102,531</b>	<b>\$ 4,170,977</b>	<b>\$ 12,368,418</b>	<b>\$ 7,685,401</b>	<b>\$ 3,089,657</b>	<b>\$ 43,654,418</b>	<b>\$ 77,914,021</b>	<b>\$ 31,860,291</b>	<b>\$ 193,845,714</b>

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

**City of Fort Wayne, Indiana**  
**Reconciliation of the Balance Sheet to the Statement of Net Position**  
**Governmental Funds**  
**December 31, 2012**

Total **fund balances** for governmental funds \$ 168,369,493

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

Capital assets used in governmental activities (excluding internal service fund capital assets of \$420,294) are not financial resources and therefore, are not reported in the funds.

Those assets consist of:

Land	38,591,585	
Roads accounted for using the modified approach	522,348,296	
Construction in progress	9,170,329	
Buildings, net of \$37,798,273 accumulated depreciation	88,322,460	
Improvements other than buildings, net of \$28,120,152 accumulated depreciation	62,434,259	
Machinery and equipment, net of \$53,514,333 accumulated depreciation	<u>16,218,461</u>	
Total capital assets (See Note 3)		737,085,390

Bond issuance costs associated with new debt issued by the City in 2012 were reported as expenditures in the governmental funds when the debt was issued, whereas bond issuance costs are deferred in the statement of net position. Deferred bond issuance costs are amortized, over the life of the debt issued, as an adjustment to interest expense in the statement of activities. 1,506,868

Inventory of assets purchased from governmental funds. 912,323

Some assets are not available to pay for current-period expenditures and therefore, are deferred in the funds. 477,291

Internal service funds are used by the City to account for the financing of goods or services provided by one department or agency to other City departments or agencies, generally on a cost reimbursement basis. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position is: 1,228,906

City tax collections related to 2012 will be collected beyond the 60 day period used to record revenue in the fund statements. Revenue and a corresponding receivable for this amount are included in the government-wide statements. 5,788,725

State shared revenue appropriated during the State of Indiana's fiscal year ended June 30, 2012 will be collected by the City in calendar year 2013. Revenue and a corresponding receivable for the amount appropriated but not received by December 31, 2012 are included in the government-wide statements. 511,662

Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore, are deferred in the funds. 785,711

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and therefore, are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Also, during the year the City issued new debt. The discount or premium received was reported in the governmental funds when the debt was issued, whereas these amounts are deferred and amortized, over the remaining life of the new debt, as an adjustment to interest expense in the statement of activities.

Balances at December 31, 2012 are:

Bonds payable	(90,045,355)	
Bond interest payable	(375,442)	
Leases payable	(56,431,731)	
Lease interest payable	(1,065,866)	
Loans payable	(7,861,460)	
Loan interest payable	(163,548)	
Compensated absences payable	(9,394,049)	
Other postemployment benefits liability	<u>(11,132,749)</u>	
Total long-term liabilities		(176,470,200)

Net pension obligations, including the 1925 Police Officers' Pension Plan, the 1937 Firefighters' Pension Plan, the Sanitary Officers' Pension Plan and PERF are not due and payable in the current period and therefore, are not reported in the funds, but are included in the government-wide statements. (94,171,299)

Total **net position** of governmental activities \$ 646,024,870

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

CITY OF FORT WAYNE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2012

	General	Highways and Streets	CEDIT	Parks	Fire	Redevelopment	Community Legacy	Non-major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>									
Taxes	\$ 65,142,116	\$ 4,566,893	\$ 22,945,685	\$ 12,217,081	\$ 36,749,800	\$ 11,385,479	\$ -	\$ 1,007,634	\$ 154,014,688
Special assessments	-	-	-	-	-	-	-	616,344	616,344
Licenses and permits	2,140,196	-	-	50,286	-	-	-	1,183,482	3,373,964
Intergovernmental	2,332,692	9,412,931	1,000	-	-	-	-	10,823,122	22,569,745
Charges for services	2,512,974	1,022,704	27,291	3,288,170	18,104	513,096	-	5,514,526	12,896,865
Fines and forfeits	546,528	-	-	-	11,882	-	-	1,595,872	2,154,282
Other	687,792	110,535	17,101	924,342	46,651	1,607,775	5,740,743	3,741,308	12,876,247
<b>Total revenues</b>	<b>73,362,298</b>	<b>15,113,063</b>	<b>22,991,077</b>	<b>16,479,879</b>	<b>36,826,437</b>	<b>13,506,350</b>	<b>5,740,743</b>	<b>24,482,288</b>	<b>208,502,135</b>
<b>Expenditures:</b>									
<b>Current:</b>									
General government	16,391,673	-	-	-	-	-	190,228	1,959,985	18,541,886
Public safety	54,905,499	-	-	-	35,345,624	-	-	10,548,415	100,799,538
Highways and streets	9,102,600	16,057,939	-	-	-	-	-	3,629,106	28,789,645
Health and welfare	2,614,229	-	-	-	-	-	-	300,686	2,914,915
Economic opportunity	636,462	-	-	-	-	-	-	222,985	859,447
Economic development	4,147,209	-	-	-	-	-	-	398,204	4,545,413
Culture and recreation	-	-	-	16,616,587	-	-	-	-	16,616,587
Urban redevelopment and housing	-	-	-	-	-	7,547,243	-	5,965,486	13,512,729
Debt service:									
Principal	-	-	7,915,000	-	-	1,950,000	-	2,245,000	12,110,000
Interest	-	-	2,445,192	-	-	2,515,811	-	1,748,176	6,709,179
Capital outlay	-	-	9,086,146	-	-	1,000,000	-	9,022,691	19,108,837
<b>Total expenditures</b>	<b>87,797,672</b>	<b>16,057,939</b>	<b>19,446,338</b>	<b>16,616,587</b>	<b>35,345,624</b>	<b>13,013,054</b>	<b>190,228</b>	<b>36,040,734</b>	<b>224,508,176</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(14,435,374)</b>	<b>(944,876)</b>	<b>3,544,739</b>	<b>(136,708)</b>	<b>1,480,813</b>	<b>493,296</b>	<b>5,550,515</b>	<b>(11,558,446)</b>	<b>(16,006,041)</b>
<b>Other financing sources (uses):</b>									
Transfers in	7,140,064	1,566,040	3,235,644	1,874,239	-	7,012,694	61,368,700	7,882,742	90,080,123
Transfers out	(3,346,134)	-	(8,243,984)	-	(160,000)	(6,409,781)	-	(4,138,782)	(22,298,681)
Capital leases issued	-	-	-	-	-	-	-	5,570,506	5,570,506
<b>Total other financing sources (uses)</b>	<b>3,793,930</b>	<b>1,566,040</b>	<b>(5,008,340)</b>	<b>1,874,239</b>	<b>(160,000)</b>	<b>602,913</b>	<b>61,368,700</b>	<b>9,314,466</b>	<b>73,351,948</b>
<b>Net change in fund balances</b>	<b>(10,641,444)</b>	<b>621,164</b>	<b>(1,463,601)</b>	<b>1,737,531</b>	<b>1,320,813</b>	<b>1,096,209</b>	<b>66,919,215</b>	<b>(2,243,980)</b>	<b>57,345,907</b>
<b>Fund balances - beginning</b>	<b>18,884,111</b>	<b>3,289,102</b>	<b>12,987,920</b>	<b>4,955,851</b>	<b>(303,485)</b>	<b>42,219,786</b>	<b>-</b>	<b>29,959,346</b>	<b>111,992,631</b>
<b>Prior period adjustment (Note 14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(969,045)</b>	<b>(969,045)</b>
<b>Fund balances - beginning, as restated</b>	<b>18,884,111</b>	<b>3,289,102</b>	<b>12,987,920</b>	<b>4,955,851</b>	<b>(303,485)</b>	<b>42,219,786</b>	<b>-</b>	<b>28,990,301</b>	<b>111,023,586</b>
<b>Fund balances - ending</b>	<b>8,242,667</b>	<b>3,910,266</b>	<b>11,524,319</b>	<b>6,693,382</b>	<b>1,017,328</b>	<b>43,315,995</b>	<b>66,919,215</b>	<b>26,746,321</b>	<b>168,369,493</b>

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

**City of Fort Wayne, Indiana**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities**  
**Governmental Funds**  
**For the Year Ended December 31, 2012**

Net change in **fund balances** - total governmental funds \$ 57,345,907

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 activities the cost of those assets, which meet capitalization requirements, is capitalized. The cost of the depreciable assets is allocated over the estimated useful lives and reported as depreciation expense. The cost of those assets, which meet capitalization requirements, is capitalized. (The internal service fund capital assets are not included in this section, but rather the net revenue (expense) of the internal revenue service funds as a separate line item.) (Note 3)

Capital assets not being depreciated:

Land	164,095
Roads accounted for using the modified approach	46,550
Construction in progress	<u>2,882,131</u>
Total change in capital assets not being depreciated	3,092,776

Capital assets being depreciated:

Buildings, net of \$3,209,921 depreciation expense	(26,869,233)
Improvements other than buildings, net of \$2,431,482 depreciation expense	(2,431,482)
Machinery and equipment, net of \$5,431,535 depreciation expense	<u>(3,005,143)</u>
Total change in capital assets being depreciated	(32,305,858)

Total changes in capital assets (29,213,082)

The issuance of long-term debt provides current financial resources to governmental funds, but increases the long-term liabilities on the statement of net position. Repayment of principal for long-term debt consumes the current financial resources of governmental funds, but reduces long-term liabilities in the statement of net position. This is the amount by which repayments exceed issuance proceeds.

12,649,103

Governmental funds report the effect of bond issue costs, deferred loss on refunding, discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

(198,229)

Some expenses were deferred as assets in the statement of net position and therefore were not reported in the statement of activities, but were reported as expenditures in the governmental funds.

25,481

Net pension obligations including the 1925 Police Officers' Pension Plan, the 1937 Firefighters' Pension Plan, the Sanitary Officers' Pension Plan, and PERF are considered long-term obligations of the general government, but are not current expenditures.

234,289

Other postemployment benefits liability is considered a long-term obligation of the general government, but is not a current expenditure.

(3,347,700)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

(3,485,332)

Some expenses reported 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.

406,652

Internal service funds are used by the City to account for the financing of goods and services provided by one department or agency to other City departments or agencies, generally on a cost reimbursement basis. The net revenue (expense) of the internal service funds is reported with governmental activities.

422,763

Changes in **net position** of governmental activities \$ 34,839,852

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

CITY OF FORT WAYNE  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
December 31, 2012

	Business-type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Water Utility	Wastewater Utility	Stormwater Utility	Other Non-major Enterprise Funds		
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 5,486,682	\$ 4,920,027	\$ 3,569,208	\$ 2,268,456	\$ 16,244,373	\$ 3,843,937
Investments	-	10,000,000	-	-	10,000,000	-
<b>Receivables:</b>						
Accounts receivable (net of allowance for uncollectibles)	2,891,689	5,817,508	1,455,301	68,114	10,232,612	-
Miscellaneous receivable	-	-	-	238,979	238,979	417,370
Interest receivable	497	1,816	-	-	2,313	-
Due from other funds	562,395	273,785	16,229	1,293,916	2,146,325	142,034
Inventories	1,019,552	75,640	-	-	1,095,192	70,158
Prepaid expenses	88,408	1,340,947	2,095	3,699	1,435,149	961
<b>Total current assets</b>	<b>10,049,223</b>	<b>22,429,723</b>	<b>5,042,833</b>	<b>3,873,164</b>	<b>41,394,943</b>	<b>4,474,460</b>
<b>Noncurrent assets:</b>						
Restricted cash and cash equivalents	35,150,320	62,009,234	634,083	4,018	97,797,655	-
Restricted investments	5,042,750	5,042,750	-	-	10,085,500	-
Assessments receivable	-	1,140,538	-	-	1,140,538	-
Unamortized issuance cost	2,441,032	1,170,662	153,901	31,974	3,797,569	-
<b>Capital assets:</b>						
Land, improvements to land and construction in progress	24,163,301	64,651,524	9,521,733	1,075,472	99,412,030	27,277
Other capital assets (net of accumulated depreciation)	193,114,163	320,722,424	88,706,914	6,814,943	609,358,444	393,017
<b>Total noncurrent assets</b>	<b>259,911,566</b>	<b>454,737,132</b>	<b>99,016,631</b>	<b>7,926,407</b>	<b>821,591,736</b>	<b>420,294</b>
<b>Total assets</b>	<b>269,960,789</b>	<b>477,166,855</b>	<b>104,059,464</b>	<b>11,799,571</b>	<b>862,986,679</b>	<b>4,894,754</b>
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Accounts payable	3,443,080	7,096,835	129,519	131,791	10,801,225	1,296,680
Wages and withholdings payable	-	-	-	1,639	1,639	7,532
Contracts payable	-	-	-	639,678	639,678	333,167
Due to other funds	1,701,494	822,221	262,380	5,784	2,791,879	2,079
Interfund payable	119,527	87,874	54,007	62	261,470	-
Compensated absences payable - current portion	546,364	428,296	103,784	4,960	1,083,404	29,510
Accrued group insurance benefits payable	-	-	-	-	-	1,453,447
Capital lease payable - current portion	-	-	-	368,788	368,788	-
Customer deposits payable	1,371,631	-	-	-	1,371,631	-
Loans payable - current portion	3,293,000	5,056,304	-	273,571	8,622,875	-
Revenue bonds payable - current portion	2,435,000	5,465,000	1,065,000	95,000	9,060,000	-
Accrued interest payable	878,502	2,773,479	190,333	54,371	3,896,685	-
Other current liabilities	748,583	2,590,739	160,273	981	3,500,576	543,433
<b>Total current liabilities</b>	<b>14,537,181</b>	<b>24,320,748</b>	<b>1,965,296</b>	<b>1,576,625</b>	<b>42,399,850</b>	<b>3,665,848</b>
<b>Noncurrent liabilities:</b>						
Compensated absences payable	885,879	498,696	80,651	902	1,466,128	-
Capital lease payable	-	-	-	1,794,994	1,794,994	-
Loans payable	47,550,000	78,777,879	-	-	126,327,879	-
Revenue bonds payable, net	52,733,440	137,029,894	10,387,725	940,000	201,091,059	-
Interfund payable	317,131	188,984	147,798	149	654,062	-
Net pension obligation	202,809	308,542	106,970	-	618,321	-
<b>Total noncurrent liabilities</b>	<b>101,689,259</b>	<b>216,803,995</b>	<b>10,723,144</b>	<b>2,736,045</b>	<b>331,952,443</b>	<b>-</b>
<b>Total liabilities</b>	<b>116,226,440</b>	<b>241,124,743</b>	<b>12,688,440</b>	<b>4,312,670</b>	<b>374,352,293</b>	<b>3,665,848</b>
<b>Net position</b>						
Net investment in capital assets	139,518,218	197,741,552	86,775,922	4,418,062	428,453,754	420,294
<b>Restricted for:</b>						
Debt service	9,377,496	24,369,837	443,750	9,996	34,201,079	-
Capital projects	313,247	1,211,988	-	-	1,525,235	-
Unrestricted	4,525,388	12,718,735	4,151,352	3,058,843	24,454,318	808,612
<b>Total net position</b>	<b>\$ 153,734,349</b>	<b>\$ 236,042,112</b>	<b>\$ 91,371,024</b>	<b>\$ 7,486,901</b>	<b>\$ 488,634,386</b>	<b>\$ 1,228,906</b>

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

CITY OF FORT WAYNE  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For The Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds				Totals	Governmental
	Water Utility	Wastewater Utility	Stormwater Utility	Other Non-major Enterprise Funds		Activities - Internal Service Funds
Operating revenues:						
Charges for goods and services	\$ 33,483,078	\$ 52,708,121	\$ 9,765,631	\$ 11,492,801	\$ 107,449,631	\$ 7,335,573
City contributions	-	-	-	-	-	29,116,412
Employee contributions	-	-	-	-	-	2,021,904
Insurance recoveries	-	-	-	-	-	210,490
<b>Total operating revenues</b>	<b>33,483,078</b>	<b>52,708,121</b>	<b>9,765,631</b>	<b>11,492,801</b>	<b>107,449,631</b>	<b>38,684,379</b>
Operating expenses:						
Personnel services	8,979,520	7,880,922	1,655,697	227,250	18,743,389	738,161
Contractual services	1,495,372	4,430,162	189,813	8,776,228	14,891,575	6,774,389
Utilities	1,333,092	1,424,113	-	52,432	2,809,637	35,689
Chemicals	2,236,755	790,530	-	-	3,027,285	-
Administrative services	3,563,046	5,426,290	1,874,140	32,689	10,896,165	-
Other supplies and services	3,851,304	3,362,336	276,819	777,498	8,267,957	3,367,636
Insurance claims and premiums	-	-	-	8,843	8,843	28,852,310
Depreciation	7,385,260	9,954,503	2,065,014	1,271,098	20,675,875	40,740
<b>Total operating expenses</b>	<b>28,844,349</b>	<b>33,268,856</b>	<b>6,061,483</b>	<b>11,146,038</b>	<b>79,320,726</b>	<b>39,808,925</b>
<b>Operating income (loss)</b>	<b>4,638,729</b>	<b>19,439,265</b>	<b>3,704,148</b>	<b>346,763</b>	<b>28,128,905</b>	<b>(1,124,546)</b>
Nonoperating revenues (expenses):						
Interest and investment revenue	68,859	111,271	2,912	2,676	185,718	3,014
Miscellaneous revenue	-	-	-	-	-	144,295
Interest expense	(1,683,199)	(3,316,300)	(245,608)	(127,775)	(5,372,882)	-
Amortization of debt issuance costs	(141,176)	(131,546)	(33,152)	(3,553)	(309,427)	-
Loss on disposal of assets	(192,861)	(144,966)	-	-	(337,827)	-
<b>Total nonoperating revenue (expenses)</b>	<b>(1,948,377)</b>	<b>(3,481,541)</b>	<b>(275,848)</b>	<b>(128,652)</b>	<b>(5,834,418)</b>	<b>147,309</b>
<b>Income (loss) before contributions and transfers</b>	<b>2,690,352</b>	<b>15,957,724</b>	<b>3,428,300</b>	<b>218,111</b>	<b>22,294,487</b>	<b>(977,237)</b>
Capital contributions	1,014,237	1,416,323	123,236	-	2,553,796	-
Transfers in	-	-	2,992,637	-	2,992,637	1,400,000
Transfers out	(2,307,685)	(6,614,280)	(1,117,374)	(62,134,740)	(72,174,079)	-
<b>Change in net position</b>	<b>1,396,904</b>	<b>10,759,767</b>	<b>5,426,799</b>	<b>(61,916,629)</b>	<b>(44,333,159)</b>	<b>422,763</b>
Total net position - beginning	152,337,445	225,282,345	85,944,225	50,811,460	514,375,475	806,143
Prior period adjustment (see note 14)	-	-	-	18,592,070	18,592,070	-
<b>Total net position - beginning (restated)</b>	<b>152,337,445</b>	<b>225,282,345</b>	<b>85,944,225</b>	<b>69,403,530</b>	<b>532,967,545</b>	<b>806,143</b>
<b>Total net position - ending</b>	<b>\$ 153,734,349</b>	<b>\$ 236,042,112</b>	<b>\$ 91,371,024</b>	<b>\$ 7,486,901</b>	<b>\$ 488,634,386</b>	<b>\$ 1,228,906</b>

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

CITY OF FORT WAYNE  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For The Year Ended December 31, 2012

	Business-type Activities - Enterprise Funds				Total	Governmental
	Water Utility	Wastewater Utility	Stormwater Utility	Other Non-major Enterprise Funds		Activities - Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 34,261,100	\$ 53,671,318	\$ 9,921,662	\$ 11,322,122	\$ 109,176,202	\$ 38,476,168
Payments to suppliers	(8,630,387)	(15,105,640)	(2,835,673)	(9,667,322)	(36,239,022)	(38,704,091)
Payments to employees	(8,553,963)	(7,479,614)	(1,646,782)	(228,682)	(17,909,041)	(742,217)
Other receipts (payments)	160,235	(124,256)	73,416	5	109,400	-
Net cash provided (used) by operating activities	17,236,985	30,961,808	5,512,623	1,426,123	55,137,539	(970,140)
Cash flows from noncapital financing activities:						
Transfer from other funds	-	-	-	-	-	1,400,000
Transfer to other funds	(2,307,685)	(3,621,643)	(1,117,374)	(10,814,560)	(17,861,262)	-
Net cash provided (used) by noncapital financing activities	(2,307,685)	(3,621,643)	(1,117,374)	(10,814,560)	(17,861,262)	1,400,000
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(20,913,727)	(46,659,409)	(1,778,317)	(42,300)	(69,393,753)	(56,000)
Proceeds from capital debt	40,580,326	59,775,356	-	-	100,355,682	-
Principal paid on capital debt	(22,061,999)	(11,082,920)	(1,020,000)	(722,105)	(34,887,024)	(13,734)
Capital lease payments	-	-	-	(6,455)	(6,455)	-
Interest paid on capital debt	(2,696,154)	(7,781,892)	(500,076)	(123,389)	(11,101,511)	-
Debt issuance costs	(1,267,003)	(275,841)	-	-	(1,542,844)	-
Purchase of debt refunding securities	-	(21,489,072)	-	-	(21,489,072)	-
Net cash used by capital and related financing activities	(6,358,557)	(27,513,778)	(3,298,393)	(894,249)	(38,064,977)	(69,734)
Cash flows from investing activities:						
Purchase of investments	(5,042,750)	(15,042,750)	-	-	(20,085,500)	-
Proceeds from sales and maturities of investments	5,000,000	35,000,000	-	-	40,000,000	-
Investment income received	70,433	153,172	2,912	2,676	229,193	3,014
Net cash provided by investing activities	27,683	20,110,422	2,912	2,676	20,143,693	3,014
Net increase (decrease) in cash and cash equivalents	8,598,426	19,936,809	1,099,768	(10,280,010)	19,354,993	363,140
Cash and cash equivalents, January 1	32,038,576	46,992,452	3,103,523	12,552,484	94,687,035	3,480,797
Cash and cash equivalents, December 31	\$ 40,637,002	\$ 66,929,261	\$ 4,203,291	\$ 2,272,474	\$ 114,042,028	\$ 3,843,937
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 4,638,729	\$ 19,439,265	\$ 3,704,148	\$ 346,763	\$ 28,128,905	\$ (1,124,546)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Nonoperating revenue	-	-	-	-	-	144,295
Depreciation expense	7,385,260	9,954,503	2,065,014	1,271,098	20,675,875	40,740
Allowance for uncollectible accounts	(5,505)	(8,022)	-	-	(13,527)	-
(Increase) decrease in assets:						
Accounts receivable	778,022	963,197	156,031	-	1,897,250	-
Miscellaneous receivable	-	-	-	(199,014)	(199,014)	(360,920)
Due from other funds	-	-	-	29,604	29,604	8,416
Inventories	-	-	-	-	-	11,006
Prepaid expenses	-	-	-	(1,334)	(1,334)	(236)
Other assets	165,740	(116,234)	73,416	5	122,927	-
Increase (decrease) in liabilities:						
Accounts payable and other liabilities	4,274,739	729,099	(485,986)	(21,121)	4,496,731	792,018
Due to other funds	-	-	-	1,553	1,553	(6,334)
Wages and withholdings payable	-	-	-	(1,925)	(1,925)	(8,702)
Accrued group insurance benefits	-	-	-	-	-	(470,522)
Compensated absences payable	-	-	-	494	494	4,645
Total adjustments	12,598,256	11,522,543	1,808,475	1,079,360	27,008,634	154,406
Net cash provided (used) by operating activities	\$ 17,236,985	\$ 30,961,808	\$ 5,512,623	\$ 1,426,123	\$ 55,137,539	\$ (970,140)
Noncash investing, capital and financing activities:						
Capital assets included in accounts payable	\$ 1,720,126	\$ 3,468,875	\$ 46,615	\$ -	\$ 5,235,616	\$ -
Contributions of capital assets	1,014,237	1,416,323	123,236	-	2,553,796	-
Interfund capital asset contribution	-	(2,992,637)	2,992,637	-	-	-
Capitalized interest added to capital assets	1,248,054	4,274,272	231,480	-	5,753,806	-
Transfer out	-	-	-	(51,320,180)	(51,320,180)	-

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

CITY OF FORT WAYNE  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
December 31, 2012

	Pension Trust Funds	Agency Funds
	<u>          </u>	<u>          </u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,843,314	\$ -
Receivables:		
Taxes	18,277	-
Loans	<u>-</u>	<u>31,156</u>
Total assets	<u>\$ 1,861,591</u>	<u>\$ 31,156</u>
<u>Liabilities</u>		
Accounts payable	<u>\$ 40,697</u>	<u>\$ 31,156</u>
<u>Net position</u>		
Net position held in trust for:		
Employees' pension benefits	<u>\$ 1,820,894</u>	

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

CITY OF FORT WAYNE  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2012

	<u>Pension Trust Funds</u>
<u>Additions</u>	
Contributions:	
Employer	\$ 15,288,736
Plan members	125
Other	10,986
Investment income:	
Interest	<u>2,442</u>
 Total additions	 <u>15,302,289</u>
 <u>Deductions</u>	
Benefits and refunds paid to plan members and beneficiaries	16,332,447
Administrative expenses	<u>42,185</u>
 Total deductions	 <u>16,374,632</u>
 Changes in net position	 (1,072,343)
Net position - beginning	<u>2,893,237</u>
Net position - ending	<u><u>\$ 1,820,894</u></u>

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

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF NET POSITION  
 DISCRETELY PRESENTED COMPONENT UNITS  
 December 31, 2012

	HANDS	Summit	UEA	CIB	RA	PTC	DID	CDC	Totals
<b>Assets</b>									
Cash and cash equivalents	\$ (203)	\$ 31,980	\$ 1,005,902	\$ 507,148	\$ -	\$ 3,992,439	\$ 251,438	\$ 3,027,406	\$ 8,816,110
Investments	-	-	-	3,433,247	-	-	-	-	3,433,247
Receivables (net of allowances for uncollectibles):									
Accounts	8,501	-	1,551	275,368	-	-	26,756	-	312,176
Intergovernmental	-	-	-	3,508,416	-	782,860	-	-	4,291,276
Loans	-	-	-	-	-	-	-	5,392,887	5,392,887
Miscellaneous	-	-	-	64,249	-	143,482	-	45,892	253,623
Inventories	-	-	-	-	-	355,012	-	-	355,012
Prepaid expense	-	-	-	23,527	-	78,148	7,443	-	109,118
Assets held for resale	138,221	-	35,400	-	-	-	-	-	173,621
Deferred debits	-	-	-	-	889,132	-	-	-	889,132
Net investment in direct financing lease (Note 21)	-	-	-	-	66,628,203	-	-	-	66,628,203
Restricted assets:									
Cash and cash equivalents	-	-	-	4,156,549	1,036,356	1,568,211	-	452,408	7,213,524
Accounts receivable	-	-	-	3,706,889	-	21,188	-	-	3,728,077
Capital assets:									
Land and construction in progress	-	-	38,000	975,000	-	419,770	-	-	1,432,770
Other capital assets, net of depreciation	-	-	620,172	39,180,750	-	16,445,426	8,648	-	56,254,996
<b>Total assets</b>	<b>146,519</b>	<b>31,980</b>	<b>1,701,025</b>	<b>55,831,143</b>	<b>68,553,691</b>	<b>23,806,536</b>	<b>294,285</b>	<b>8,918,593</b>	<b>159,283,772</b>
<b>Liabilities</b>									
Accounts payable	-	-	27,732	229,731	-	282,001	19,068	61,715	620,247
Accrued interest payable	-	-	-	-	1,289,922	567,492	-	-	1,857,414
Customer deposits	-	-	2,805	35,851	-	-	-	-	38,656
Other current liabilities	-	-	-	-	-	140,000	10,323	-	150,323
Noncurrent liabilities:									
Due within one year:									
Capital lease payable	-	-	-	1,099,532	-	-	-	-	1,099,532
Lease rental revenue bonds payable	-	-	-	-	3,215,000	-	-	-	3,215,000
Due in more than one year:									
Capital lease payable	-	-	-	23,903,462	-	-	-	-	23,903,462
Mortgages payable	131,218	-	-	-	-	-	-	-	131,218
Lease rental revenue bonds payable (net of premium) (Note 21)	-	-	-	-	64,434,663	-	-	-	64,434,663
Other postemployment benefits liability	-	-	-	-	-	2,630,632	-	-	2,630,632
Other noncurrent liabilities	-	-	-	-	-	1,161,280	-	-	1,161,280
<b>Total liabilities</b>	<b>131,218</b>	<b>-</b>	<b>30,537</b>	<b>25,268,576</b>	<b>68,939,585</b>	<b>4,781,405</b>	<b>29,391</b>	<b>61,715</b>	<b>99,242,427</b>
<b>Net position</b>									
Net investment in capital assets	-	-	658,172	18,661,172	-	16,779,696	8,648	-	36,107,688
Temporarily restricted	-	-	735,822	7,863,946	-	-	14,045	7,985,518	16,599,331
Unrestricted	15,301	31,980	276,494	4,037,449	(385,894)	2,245,435	242,201	871,360	7,334,326
<b>Total net position</b>	<b>\$ 15,301</b>	<b>\$ 31,980</b>	<b>\$ 1,670,488</b>	<b>\$ 30,562,567</b>	<b>\$ (385,894)</b>	<b>\$ 19,025,131</b>	<b>\$ 264,894</b>	<b>\$ 8,856,878</b>	<b>\$ 60,041,345</b>

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

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF ACTIVITIES  
 DISCRETELY PRESENTED COMPONENT UNITS  
 For The Year Ended December 31, 2012

Functions/Programs Component units:	Program Revenues				Net (Expense) Revenue and Changes in Net Position								
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	HANDS	Summit	UEA	CIB	RA	PTC	DID	CDC	Totals
HANDS	\$ 62,883	\$ 71,384	\$ -	\$ -	\$ 8,501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,501
Summit	53,030	5,000	-	-	-	(48,030)	-	-	-	-	-	-	(48,030)
UEA	485,890	484,798	-	-	-	(1,092)	-	-	-	-	-	-	(1,092)
CIB	6,480,914	4,937,958	-	3,068,665	-	-	1,525,709	-	-	-	-	-	1,525,709
RA	2,947,393	3,477,000	-	-	-	-	-	529,607	-	-	-	-	529,607
PTC	13,265,226	1,649,318	5,011,175	5,565,748	-	-	-	-	(1,038,985)	-	-	-	(1,038,985)
DID	737,149	448,618	200,500	-	-	-	-	-	-	(88,031)	-	-	(88,031)
CDC	786,053	888,248	-	-	-	-	-	-	-	-	102,195	-	102,195
<b>Total component units</b>	<b>\$ 24,818,538</b>	<b>\$ 11,962,324</b>	<b>\$ 5,211,675</b>	<b>\$ 8,634,413</b>	<b>8,501</b>	<b>(48,030)</b>	<b>(1,092)</b>	<b>1,525,709</b>	<b>529,607</b>	<b>(1,038,985)</b>	<b>(88,031)</b>	<b>102,195</b>	<b>989,874</b>
<b>General revenues:</b>													
Local assessments and taxes	-	-	-	-	-	-	-	-	-	5,375,733	-	-	5,375,733
Indiana room tax income	-	-	-	-	-	-	2,939,218	-	-	-	-	-	2,939,218
Unrestricted investment earnings	-	-	2	-	2	105	2,046	24,731	81	8,324	347	6,376	42,012
Other	-	-	-	-	-	-	361	16,368	-	123,272	-	-	140,001
<b>Total general revenues</b>					<b>2</b>	<b>105</b>	<b>2,407</b>	<b>2,980,317</b>	<b>81</b>	<b>5,507,329</b>	<b>347</b>	<b>6,376</b>	<b>8,496,964</b>
<b>Change in net position</b>					<b>8,503</b>	<b>(47,925)</b>	<b>1,315</b>	<b>4,506,026</b>	<b>529,688</b>	<b>4,468,344</b>	<b>(87,684)</b>	<b>108,571</b>	<b>9,486,838</b>
<b>Net position - beginning</b>					<b>6,798</b>	<b>79,905</b>	<b>1,669,173</b>	<b>26,056,541</b>	<b>(915,582)</b>	<b>14,556,787</b>	<b>352,578</b>	<b>8,748,307</b>	<b>50,554,507</b>
<b>Net position - ending</b>					<b>\$ 15,301</b>	<b>\$ 31,980</b>	<b>\$ 1,670,488</b>	<b>\$ 30,562,567</b>	<b>\$ (385,894)</b>	<b>\$ 19,025,131</b>	<b>\$ 264,894</b>	<b>\$ 8,856,878</b>	<b>\$ 60,041,345</b>

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

**NOTES TO THE FINANCIAL  
STATEMENTS**



CITY OF FORT WAYNE, INDIANA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2012

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Fort Wayne (primary government) was established under the laws of the State of Indiana. The primary government is a municipal corporation governed by an elected mayor and nine-member council and provides the following services: public safety (police and fire), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, yard waste and urban redevelopment and housing. The accompanying financial statements present the activities of the primary government and its significant component units. The financial statements of the City of Fort Wayne (City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

The component units discussed below are included in the primary government's reporting entity because of the significance of their operational or financial relationships with the primary government. Blended component units, although legally separate entities are in substance part of the government's operations and exist solely to provide services for the government; data from these units is combined with data of the primary government. Discretely presented component units are involved in activities of an operational nature independent from the government; their transactions are reported in a separate column in the government-wide financial statements.

Blended Component Units

*The Fort Wayne Municipal Building Corporation* is a significant blended component unit of the primary government. The City created it in 1997 for the sole purpose of financing two fire stations, an animal care building and improvements to the City's Board of Works complex. In 2000, the City entered into a second agreement with the Municipal Building Corporation for the purpose of financing a fire station along with purchasing equipment to finish the new station. In 2002, the City entered into a third agreement with the Municipal Building Corporation for the purpose of financing a street and highway transportation building. In 2005, the City entered into a fourth agreement with the Municipal Building Corporation for the purpose of financing two fire stations, #'s 18 and 19, to serve the 2006 annexed areas. In 2006, the City entered into a fifth agreement with the Municipal Building Corporation for the purpose of financing the Public Safety Academy. In 2009, the City entered into a sixth agreement with the Municipal Building Corporation for the purpose of the acquisition, renovation, and equipping of the Renaissance Square Building to be used as a City Hall. The primary government appoints a voting majority of the Municipal Building Corporation's board and a financial benefit/burden relationship exists between the primary government and the Municipal Building Corporation. Although it is legally separate from the primary government, the Fort Wayne Municipal Building Corporation is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the primary government. The Fort Wayne Municipal Building Corporation is reported as the Building Project fund (non-major capital projects fund).

*The Consolidated Communications Partnership (CCP)* is a significant blended component unit of the primary government. The City of Fort Wayne and Allen County jointly created the CCP on February 19, 2010 to provide centralized communication service to City of Fort Wayne and Allen County. A joint Operation Board is established pursuant to I.C. § 36-1-7-3 (5) (b) to oversee and administer the CCP. The Operation Board is comprised of the Chief of Police for the City of Fort Wayne, Chief of Fire for the City of Fort Wayne, Allen County Sheriff and Chief Deputy of Allen

County Sheriff. The City Controller has the duty and responsibility to receive, disburse and account for all monies of the CCP, in accordance with procedures adopted by the City for the receipts and payments of vouchers or claims. The primary government appoints a voting majority of the CCP and a financial burden/benefit relationship exists between the primary government and the CCP. Although it is legally separate from the primary government, the CCP is reported as if it were a part of the primary government and is reported as the Consolidated Communications Partnership fund (non-major special revenue fund)

#### Discretely Presented Component Units

The component units column in the financial statements includes the financial data of the City's other component units.

The *Neighborhood Care, Inc., doing business as HANDS* (HANDS) is a significant discretely presented component unit of the primary government. The primary government appoints the eleven-member board. The primary government is able to impose its will and a financial benefit/burden relationship exists between the primary government and HANDS. HANDS is fiscally dependent on the primary government. It would be misleading to exclude HANDS from the primary government's financial statements because of its relationship with the primary government. HANDS was created by the City to administer the federally funded housing rehabilitation programs.

The *Summit Development Corporation* (Summit), formerly the *Kekionga Development Corporation of Fort Wayne* is a significant discretely presented component unit of the primary government. The primary government appoints all the members of the board. The primary government is able to impose its will and a financial benefit/burden relationship exists between the primary government and Summit. Summit is fiscally dependent on the primary government. It would be misleading to exclude Summit from the primary government's financial statements because of its relationship with the primary government. Summit was created by the City to finance and/or provide economic development services.

The *Fort Wayne Urban Enterprise Association, Inc.* (UEA) is a significant discretely presented component unit of the primary government. Fort Wayne Urban Enterprise Association, Inc. (UEA) is governed by an eleven-member board of which five are appointed by the Mayor, four are appointed by the City Council, and two are appointed by the Governor. The primary government appoints a voting majority of the UEA's board. The primary government is able to impose its will and a financial benefit/burden relationship exists between the primary government and UEA. UEA is fiscally dependent on the primary government. It would be misleading to exclude UEA from the primary government's financial statements because of its relationship with the primary government. The UEA initiates, coordinates, and promotes community development activities. The UEA acts as a liaison between residents, businesses, local governments, and the State for any and all development activity that may affect the enterprise zone.

The *Allen County Fort Wayne Capital Improvement Board of Managers (CIB), formerly the Fort Wayne - Allen County Convention and Tourism Authority*, is a significant discretely presented component unit of the primary government. The Allen County Fort Wayne Capital Improvement Board of Managers (CIB) is governed by a seven-member board. The County appoints three members, three are appointed by the City, and the appointed members elect the seventh. CIB's budget is subject to approval by the City and County Councils. Any resolutions for the sale of revenue bonds are subject to review by the Mayor. Any sales of general obligation bonds are subject to approval by the City Council. A financial benefit/burden relationship exists between the primary government and the CIB. It would be misleading to exclude CIB from the primary government's financial statements because of its relationship with the primary government. CIB operates the Grand Wayne Center (convention center) and promotes tourism.

The *Fort Wayne Redevelopment Authority* (RA) is a significant discretely presented component unit of the primary government. Fort Wayne Redevelopment Authority is governed by a three-member board. The members of the board are appointed by the Mayor and must be residents of the City.

The Fort Wayne Redevelopment Authority was established by the Fort Wayne Redevelopment Commission (a department of the City) in September 2000 and created by the City of Fort Wayne Common Council in February 2002. The Authority was organized under IC 36-7-14.5 as a separate body corporate and politic and as an instrumentality of the City, for the purpose of financing economic development improvements to be leased to the Commission. The RA's budget is subject to approval by the Commission. A financial burden/benefit relationship exists between the primary government and the RA. It would be misleading to exclude RA from the primary government's financial statements because of its relationship with the primary government.

*The Fort Wayne Public Transportation Corporation (PTC)* is a significant discretely presented component unit of the primary government. The Fort Wayne Public Transportation Corporation does business as Citilink and operates a public transit system in a service area that includes the cities of Fort Wayne, New Haven and certain unincorporated areas of Allen County. The PTC is governed by a seven member board of which three are appointed by the Mayor and four are appointed by the City of Fort Wayne – Allen County Council (Council). The Citilink board adopts the budget and tax levy, and approves the issuance of debt. In addition, the Council may review and modify the budget and tax levy, although its approval is not required for the issuance of debt. A financial benefit/burden relationship exists between the primary government and the PTC. It would be misleading to exclude PTC from the primary government's financial statements because of its relationship with the primary government.

*The Downtown Fort Wayne Economic Improvement District (DID)* is a significant discretely presented component unit of the primary government. The DID is governed by a thirteen member Board of Directors. One Director is appointed by the Common Council of the City of Fort Wayne. The Mayor of the City of Fort Wayne and the Commissioners of Allen County, each nominate one director, both of which are subject to approval of the Common Council. The remaining ten Directors are elected and must either be property owners within the District or must have demonstrated a commitment to downtown improvement and revitalization within the District. The DID is an Economic Improvement District established under State of Indiana statute that allows owners of non-residential real property to assess themselves to provide services to improve the business climate of the district. The DID's budget is subject to approval by the City Council. A financial burden/benefit relationship exists between the primary government and the DID. It would be misleading to exclude the DID from the primary government's financial statements because of its relationship with the primary government.

*The Community Development Corporation of Fort Wayne (CDC)* is a significant discretely presented component unit of the primary government. The CDC is a City of Fort Wayne sponsored 501(c)(6) not for profit business development organization. The primary objective of CDC is to promote the growth and development of small commercial industrial for profit businesses in Indiana through creative loan programs. The CDC is also doing business under the name Community Development Corporation of Northeast Indiana. The CDC is governed by an eighteen member Board of Directors. The Mayor of the City of Fort Wayne and the Commissioners of Allen County each nominate one director. The primary government is able to impose its will and a financial benefit/burden relationship exists between the primary government and the CDC. The CDC is fiscally dependent on the primary government. It would be misleading to exclude the CDC from the primary government's financial statements because of its relationship with the primary government.

The financial statements of the individual component units may be obtained from the Controller, City of Fort Wayne or their respective offices as follows:

Controller, City of Fort Wayne  
Room 470 Citizens Square  
200 E. Berry Street  
Fort Wayne, IN 46802  
Fort Wayne Municipal Building Corporation  
c/o Wells Fargo Bank Corporate Trust Department  
111 E. Wayne Street  
Fort Wayne, IN 46801

The Consolidated Communications Partnership  
Room B-24 Rousseau Centre  
1 East Main Street  
Fort Wayne, IN 46802

Neighborhood Care, Inc. (HANDS)  
Room 320 Citizens Square  
200 E. Berry Street  
Fort Wayne, IN 46802

Summit Development Corporation  
Room 320 Citizens Square  
200 E. Berry Street  
Fort Wayne, IN 46802

Fort Wayne Urban Enterprise Association, Inc.  
1830 Wayne Trace  
Fort Wayne, IN 46803

Allen County Fort Wayne Capital Improvement Board of Managers  
c/o Grand Wayne Center  
120 West Jefferson Boulevard  
Fort Wayne, IN 46802

Fort Wayne Redevelopment Authority  
Redevelopment Commission  
Room 320 Citizens Square  
200 E. Berry Street  
Fort Wayne, IN 46802

Fort Wayne Public Transportation Corporation  
801 Leesburg Road  
Fort Wayne, IN 46808

Downtown Fort Wayne Economic Improvement District  
111 East Wayne Street  
Suite 500  
Fort Wayne, IN 46802

Community Development Corporation of Fort Wayne  
Room 320 Citizens Square  
200 E Berry Street  
Fort Wayne, IN 46802

#### Related Organizations

The primary government's officials are also responsible for appointing the members of the boards of other organizations, but the primary government's accountability for these organizations does not extend beyond making the appointments. These organizations are called related organizations. The Fort Wayne Housing Authority, Headwaters Park Commission, and the Hospital Authority of Fort Wayne are related organizations of the City of Fort Wayne.

#### B. Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its

component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. 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 direct expenses of a given function or segments are offset by program revenues. 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 properly included among program revenues, are reported instead as general revenues.

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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Agency funds, however, report only assets and liabilities. Since, they do not report equity (or changes in equity), they have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the primary government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

The General fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Highways and Streets fund (special revenue) accounts for the financial resources and expenses for construction, operation and maintenance of local and arterial roads and street system. The Motor Vehicle Highway and Local Roads and Streets funds have been combined to form the Highways and Streets fund. The major revenue sources for these funds include

Wheel Tax/Surtax, Fuel Tax and reimbursements from other sources for services such as leaf collection and water cut restorations.

The CEDIT fund (capital projects) accounts for the financial resources and expenses or projects related to the County Economic Development Income Tax (CEDIT). The CEDIT Income Tax, Economic Development Incentive, Economic Development Infrastructure, Community Development-Marketing, Community Development-Strategic Objective and the 2009 CEDIT Bond funds have been combined to form the CEDIT fund.

The Parks fund (special revenue) accounts for the financial resources and expenses for the construction, operation and maintenance of the City's park system. The Park and Recreation General, Park Land and Water Conservation, Park Cumulative Building, Park Trust, Park Nonreverting Capital, Park Nonreverting Operating, and the 2005 Park Bond funds have been combined to form the Parks fund. The major revenue sources for these funds include Property Tax, Auto Excise Tax, Commercial Vehicle Excise Tax, County Option Income Tax as well as fees from services and/or programs.

The Fire fund (special revenue) accounts for the financial resources and operations of the Fire District. The Fire Department and Fire Education funds have been combined to form the Fire Fund. The major revenue sources for these funds include Property Tax, Auto Excise Tax, Commercial Vehicle Excise Tax as well as any other miscellaneous revenues for services.

The Redevelopment fund (capital projects) accounts for the financial resources and expenses or projects related to redevelopment. The Redevelopment General, 1991 Tax Incremental Financing, 1992 Tax Incremental Financing-Getz Road, Civic Center Urban Renewal 1998, Tax Incremental Financing-Fort Wayne International Airport, 2002 Infrastructure Bond, Grand Wayne Property and Miscellaneous Expenses, Grand Wayne Obligation Lease, Redevelopment Bond, Grand Wayne Bond Principal & Interest, Harrison Square Taxable Lease, Harrison Square Tax Exempt Lease, Lima Wells Fernhill Tax Incremental Financing Project, West Highway 30 Tax Incremental Financing Project, E Illinois Tax Incremental Financing Project, Lima Ley Tax Incremental Financing Project, Summit Park Tax Incremental Financing Project, Jefferson Point Tax Incremental Financing Project, Chapel Ridge Tax Incremental Financing Project, Brownfield Redevelopment, Southtown Mall Project, 2005 Southtown Tax-Exempt Bond, Centennial Industrial Park, Harrison Square Stadium Maintenance, Harrison Square Parking Garage, and the Redevelopment District Capital funds have been combined to form the Redevelopment fund.

The Community Legacy Fund (special revenue) accounts for the financial resources and expenses or projects that are in the public's interest and related to transformational investment in the community. The major revenue sources for this fund are the installment payments from the sale of the Electric Utility (see Note 15) and investment earnings.

The government reports the following major proprietary funds:

The Water Utility fund accounts for the operation of the government's water distribution system.

The Wastewater Utility fund accounts for the operation of the government's wastewater treatment plant, pumping stations and collection systems.

The Stormwater Utility fund accounts for the operation of the government's management of stormwater runoff.

Additionally, the government reports the following fund types:

The internal service funds (proprietary) account for health insurance, general and auto liability insurance and worker's compensation insurance in a combined self-insurance fund and for garage services provided to other departments on a cost-reimbursement basis.

The pension trust funds (fiduciary) account for the activities of the 1925 Police Officers' Pension and 1937 Firefighters' Pension and Sanitary Officers' Pension funds which accumulate resources for pension benefit payments.

Agency funds (fiduciary) account for the activities and assets held by the government as an agent for the Fort Wayne Neighborhood Housing Partnership (FWNP).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in-lieu-of taxes and other charges between the government's water, wastewater, storm water function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

#### D. Assets, Liabilities and Net Position or Equity

##### 1. Deposits and Investments

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

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

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 cost.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Open-end mutual funds are reported at fair value.

Money market investments that mature within one year or less at the date of their acquisition are reported at amortized cost. Other money market investments are reported at fair value.

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

## 2. Interfund Transactions and Balances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year to cover deficit cash balances are referred to as “Interfund receivables/payables – pooled cash”. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year to cover loans made to other funds, with the expectation of repayment, are referred to as “Interfund receivables”. All other outstanding balances between funds are reported as “Due from/to other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “Internal balances.”

## 3. Property Taxes

Property taxes levied are collected by the Treasurer of Allen County and are remitted to the City Controller in June and in December. State statutes (Indiana Code 6-1.1-17-16) require the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year’s March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10. 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, net of allowance for uncollectible accounts, are recorded as a receivable.

## 4. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

## 5. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method except for the Water Utility, which uses the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

## 6. Restricted Assets/Net Position

All restricted assets/net position, as presented in the accompanying financial statements, are restricted due to enabling legislation.

## 7. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
<b>Governmental Activities:</b>			
Land	All Capitalized	N/A	N/A
Infrastructure	\$ 5,000	N/A	N/A
Buildings	5,000	Straight-line	40
Improvements other than buildings	5,000	Straight-line	20-25
Machinery and equipment	5,000	Straight-line	5-25
<b>Business-type Activities:</b>			
<b>(Solid Waste Management and Parking Garages)</b>			
Land	All Capitalized	N/A	N/A
Buildings and improvements	5,000	Straight-line	20-40
Equipment and other	5,000	Straight-line	5-25
<b>Business-type Activities:</b>			
<b>(Utilities and Yard Waste Facility)</b>			
Land	All Capitalized	N/A	N/A
Distribution and collection	2,500	Straight-line	67
Buildings and improvements	2,500	Straight-line	20-44
Equipment and other	2,500	Straight-line	6-67

Infrastructure is reported using the modified approach. Accordingly, depreciation is not reported for this subsystem and all expenditures, except for additions and improvements made for the subsystem, are expensed. Management of the City has determined the condition level at which infrastructure assets are to be maintained. The City makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. The City also performs periodic condition assessments to verify that these condition levels are being maintained. The City of Fort Wayne has included all retroactive infrastructure acquired prior to the implementation of GASB 34.

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.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. In 2012 net interest capitalized was \$1,248,054 for Water Utility, \$4,274,272 for Wastewater Utility, and \$231,480 for Stormwater Utility.

#### 8. Assets Held for Resale

Assets held for resale are valued at lower of cost or market. These assets are held by the City with the intent to sell them in the future.

#### 9. Compensated Absences

City employees are entitled to accumulate earned but unused sick and vacation pay benefits depending on their length of employment or whether or not they belong to a union. Vacation and sick pay is accrued when incurred in the proprietary funds and reported as a fund liability. Vacation and sick pay is accrued for employees of governmental funds in the government-wide statements. The major governmental and proprietary funds are primarily used to liquidate the liability for compensated absences.

Police Officers and Firefighters

Vacation Leave:

Vacation leave policies for police officers and firefighters are set forth in the appropriate union agreements with the City. Vacation leave for police officers ranges from seven days per year after six months service to thirty-three days per year after twenty years service. The range of vacation leave for firefighters is as follows: Forty hour personnel - five days after one year service to thirty-seven days after twenty-five years service; Combat personnel - six days after one year service to sixteen days after twenty years service.

Sick Leave:

Police officers do not have an earned sick leave plan but receive pay while they are sick based on regulations set by their department. Firefighters injured or sick shall have leave paid by the City for a period of not more than one year.

Employees Other Than Police Officers and Firefighters

Generally, the employees of the City of Fort Wayne receive the following:

Vacation Leave:

<u>Length of Service</u>	<u>Vacation Leave</u>
6 Months to 1 Year	1 Week
1 Year to 5 Years	2 Weeks
6 Years to 14 Years	3 Weeks
15 Years to 19 Years	4 Weeks
Over 19 Years (hired before 1/1/96)	5 Weeks
Over 19 Years (hired after 1/1/96)	4 Weeks

For union employees, unused vacation shall automatically be carried over into the next year; however, amounts of more than one year's carryover shall be paid to the employee.

For non-union employees, unused vacation shall automatically be carried over into the next year; however, amounts of more than one year's carryover shall be lost if not taken.

Sick Leave:

Employees hired before January 1, 2002 earn 2.31 hours of sick leave per week of full employment and employees hired 1/1/02 and after earn 1.54 hours of sick leave per week of full employment. Sick leave may be accumulated. An employee with ten years of service will receive compensation for unused sick leave upon retirement at \$1.00 for each hour up to 520 hours.

All City employees, except one bargaining unit, allow for either 50 percent of the employee's normal straight time hourly rate for each accumulated hour over 520, or an employee may receive credit at the rate of 100 percent of the employee's normal straight time hourly rate for each sick leave hour over 520 to be used for the purchase of group health insurance. The maximum payment per employee cannot exceed \$25,000.

10. Unbilled Revenue

The enterprise and the internal service funds accrue revenue for sales and services performed, but not yet billed, as of the financial statement date.

## 11. Unearned Revenues

Unearned revenue is available, but not earned at year-end (applies to government-wide and fund statements).

## 12. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium, discount or loss on refunding. Bond issuance costs are reported as deferred debits and amortized over the term of the related debt in the government-wide statement of net position and the proprietary fund statements. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

## 13. Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

## 14. Fund Balance

Fund balance in the governmental fund statements have been classified per *GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions*. City's governmental fund balances are reported under classifications of nonspendable, restricted, committed, assigned and unassigned fund balances. A brief description of each category is as follows:

**Nonspendable** – represents amounts that are not in spendable form, such as inventories, assets held for resale and loans receivable.

**Restricted** – represents amounts restricted to specific purposes because of constraints placed on their use that are either externally imposed such as by grantors or imposed by law through constitutional provisions or enabling legislation.

**Committed** – represents amounts that can only be used for a specific purpose pursuant to constraints imposed by the government's highest level of decision making authority. The City of Fort Wayne's highest level of decision making authority is the City Council. Fund balance commitments are established, modified, or rescinded by City Council action through passage of an ordinance.

**Assigned** – represents amounts that are constrained by the government's intent to be used for specific purposes as expressed by the governing body itself (Board of Public Works) or the official to which the governing body has delegated the authority (City Controller) to assign amounts to be used for specific purposes.

**Unassigned** – represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. Only the general fund may report a positive unassigned fund balance; whereas, other governmental funds may need to report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City does not have a formal policy for its use of unrestricted fund balance amounts; therefore, it considers committed amounts used first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

For functionalized classification of fund balance, please refer to note 20.

Note 2. Deposits and Investments

A. Primary Government

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds; and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories. The City does not have a formal policy for custodial credit risk.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2012, the City had the following investments:

<u>Investment Type</u>	<u>Market Value</u>	<u>Investment Maturity</u>	
		<u>Less Than 1 Year</u>	
Certificates of Deposit	\$ 20,085,500	\$	20,085,500
Mutual Funds	47,010,099		47,010,099
Total	<u>\$ 67,095,599</u>	<u>\$</u>	<u>67,095,599</u>

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities or interest in an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed fifty percent (50%) of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a

federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or AAA, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

The City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

The Community Legacy Fund, which invests in a variety of securities and mutual funds, is not subject to the requirements of Indiana Statutes governing authorized investments.

#### Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments that are uninsured and 1) uncollateralized, 2) collateralized with securities held by the pledging financial institution, or 3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's name.

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years. The City does not have a formal investment policy for interest rate risk.

#### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have a formal investment policy in regards to credit risk for investments. The distribution of securities with credit ratings is summarized below.

		City of Fort Wayne Investments
<u>Investment Type</u>	<u>Morningstar Rating</u>	<u>Amount</u>
Certificates of Deposit	NR	\$ 20,085,500
Mutual Funds	Below Average	10,655,207
	Average	33,802,034
	High	<u>2,552,858</u>
		<u>\$ 67,095,599</u>
Total		

#### 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 user. The City does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency

securities are exempt from this policy requirement.

#### Foreign Currency Risk

Foreign currency risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City does not have a formal policy in regards to foreign currency risk. The City's exposure to foreign currency risk derives from their investment at December 31, 2012 in foreign mutual funds with a fair value of \$9,348,069.

### B. Discretely Presented Component Units

#### 1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds, and has a principal office or branch that qualifies to receive public funds of the political subdivision. At December 31, 2012, the City's discretely presented component units' deposits with financial institutions of \$19,462,881 were entirely insured by federal depository insurance, with the exception of UEA's deposits of \$711,027 and CDC's deposit of \$1,101,176.

### Note 3. Capital Assets

Capital asset activity for the year ended December 31, 2012 was as follows:

Primary government

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 38,454,767	\$ 164,864	\$ 769	\$ 38,618,862
Roads accounted for using the modified approach	522,301,746	46,550	-	522,348,296
Construction in progress	6,288,198	4,523,505	1,641,374	9,170,329
Total capital assets not being depreciated	567,044,711	4,734,919	1,642,143	570,137,487
Capital assets being depreciated:				
Buildings	152,926,217	-	26,288,125	126,638,092
Improvements other than buildings	90,561,911	-	7,500	90,554,411
Machinery and equipment	68,223,088	2,482,392	396,648	70,308,832
Total capital assets being depreciated	311,711,216	2,482,392	26,692,273	287,501,335
Less accumulated depreciation for:				
Buildings	37,396,200	3,226,337	2,628,813	37,993,724
Improvements other than buildings	25,696,170	2,431,482	7,500	28,120,152
Machinery and equipment	48,960,051	5,455,859	396,648	54,019,262
Total accumulated depreciation	112,052,421	11,113,678	3,032,961	120,133,138
Total capital assets being depreciated, net	199,658,795	(8,631,286)	23,659,312	167,368,197
Total governmental activities capital assets, net	<u>\$ 766,703,506</u>	<u>\$ (3,896,367)</u>	<u>\$ 25,301,455</u>	<u>\$ 737,505,684</u>

The above governmental activities capital assets include internal service funds capital assets as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 27,277	\$ -	\$ -	\$ 27,277
Capital assets being depreciated:				
Buildings	517,359	-	-	517,359
Machinery and equipment	520,038	56,000	-	576,038
Total capital assets being depreciated	1,037,397	56,000	-	1,093,397
Less accumulated depreciation for:				
Buildings	179,035	16,416	-	195,451
Machinery and equipment	480,605	24,324	-	504,929
Total accumulated depreciation	659,640	40,740	-	700,380
Total capital assets being depreciated, net	377,757	15,260	-	393,017
Total internal service capital assets, net	<u>\$ 405,034</u>	<u>\$ 15,260</u>	<u>\$ -</u>	<u>\$ 420,294</u>

	Beginning Balance	Additions	Reductions	Ending Balance
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 9,510,764	\$ 190,441	\$ -	\$ 9,701,205
Construction in progress	44,671,487	45,039,338	-	89,710,825
Total capital assets not being depreciated	54,182,251	45,229,779	-	99,412,030
Capital assets being depreciated:				
Distribution and collection	509,347,897	23,477,968	460,998	532,364,867
Buildings and improvements	189,720,326	3,192,572	37,120	192,875,778
Equipment and machinery	171,739,703	5,582,593	747,179	176,575,117
Total capital assets being depreciated	870,807,926	32,253,133	1,245,297	901,815,762
Less accumulated depreciation for:				
Distribution and collection	125,673,891	7,751,097	417,972	133,007,016
Buildings and improvements	65,060,965	4,353,699	16,255	69,398,409
Equipment and machinery	81,963,812	8,571,079	482,998	90,051,893
Total accumulated depreciation	272,698,668	20,675,875	917,225	292,457,318
Total capital assets being depreciated, net	598,109,258	11,577,258	328,072	609,358,444
Total business-type activities capital assets, net	<u>\$ 652,291,509</u>	<u>\$ 56,807,037</u>	<u>\$ 328,072</u>	<u>\$ 708,770,474</u>
<b>Discretely presented component units:</b>				
Capital assets not being depreciated:				
Land	\$ 1,428,430	\$ -	\$ -	\$ 1,428,430
Construction in progress	3,119,311	4,340	3,119,311	4,340
Total capital assets not being depreciated	4,547,741	4,340	3,119,311	1,432,770
Capital assets being depreciated:				
Buildings and improvements	55,319,397	6,217,082	41,425	61,495,054
Equipment and machinery	18,936,398	2,187,542	765,381	20,358,559
Total capital assets being depreciated	74,255,795	8,404,624	806,806	81,853,613
Less accumulated depreciation for:				
Buildings and improvements	13,205,832	1,565,276	41,425	14,729,683
Equipment and machinery	10,328,428	1,304,472	763,966	10,868,934
Total accumulated depreciation	23,534,260	2,869,748	805,391	25,598,617
Total capital assets being depreciated, net	50,721,535	5,534,876	1,415	56,254,996
Total discretely presented component units capital assets, net	<u>\$ 55,269,276</u>	<u>\$ 5,539,216</u>	<u>\$ 3,120,726</u>	<u>\$ 57,687,766</u>

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

Governmental activities:	
General government	\$ 1,019,417
Public safety	3,622,751
Highways and streets	2,156,143
Health and welfare	113,523
Urban redevelopment and housing	1,610,499
Culture and recreation	<u>2,550,605</u>
Subtotal	11,072,938
Internal Service Funds*	<u>40,740</u>
Total depreciation expense - governmental activities	<u>\$ 11,113,678</u>
Business-type activities:	
Water	\$ 7,385,260
Wastewater	9,954,503
Stormwater	2,065,014
Parking garages	358,127
Solid waste	908,136
Other	<u>4,835</u>
Total depreciation expense - business-type activities	<u>\$ 20,675,875</u>

\*Capital assets held by the primary government's internal service funds are charged to the various functions based on their usage of the assets.

#### Note 4. Short-Term Liabilities

##### Bond Anticipation Notes

In 2008, the Water Utility financed the acquisition of Aqua Indiana assets with Waterworks Utility Revenue Bond Anticipation Notes, Series 2008 (BAN1) issued February 5, 2008 for \$17,840,000. The BAN1 had an interest rate of 1.81% and was payable on or before February 11, 2009. BAN1 was retired from the proceeds of the Waterworks Utility Revenue Bond Anticipation Notes, Series 2009 (BAN2). BAN2 was issued on February 11, 2009 in the amount of \$17,840,000. BAN2 had an interest rate of 4.25% and was payable on February 11, 2010. BAN2 was retired from the proceeds of the Waterworks Utility Revenue Bond Anticipation Notes, Series 2010 (BAN3). BAN3 was issued on February 11, 2010 in the amount of \$17,840,000. BAN3 had an interest rate of 0.60% and was payable on February 10, 2011. BAN3 was retired by the proceeds of the Waterworks Utility Revenue Bond Anticipation Notes, Series 2011 (BAN4). BAN4 was issued on February 9, 2011 in the amount of \$17,840,000 with an interest rate of 0.65 % and was payable on February 8, 2012. BAN4 was retired by the proceeds of the Waterworks Utility Revenue Bond Anticipation Notes, Series 2012 (BAN5). BAN5 was issued on February 7, 2012 in the amount of \$17,840,000 with an interest rate of 0.48% and was payable on February 5, 2013. On December 27, 2012 proceeds from the Waterworks Utility Revenue Bond Series A were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments for BAN5. As a result, the BAN5 liability has been removed from the Statement of Net Position.

Short-term debt activity for the year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Repayments</u>	<u>Ending Balance</u>
Business-type Activities:				
Bond anticipation notes	<u>\$ 17,840,000</u>	<u>\$ 17,840,000</u>	<u>\$ 35,680,000</u>	<u>\$ -</u>

Note 5. Long-term Debt

A. Changes in Long-term Debt

During the year ended December 31, 2012, the following changes occurred in liabilities reported on the Statement of Net Position:

Primary government:

	Balance, 1/1/2012	Additions	Reductions	Balance, 12/31/2012	Due Within One Year
<u>Governmental Activities:</u>					
General obligation bonds	\$ 2,530,000	\$ -	\$ 285,000	\$ 2,245,000	\$ 295,000
Special obligation bonds	61,450,000	-	7,405,000	54,045,000	6,460,000
Compensated absences	9,695,929	3,233,530	3,505,900	9,423,559	9,311,413
First mortgage bonds	36,260,000	-	2,245,000	34,015,000	2,210,000
Capital leases	57,385,710	5,570,506	6,524,485	56,431,731	6,267,253
Notes and loans payable	9,621,584	-	1,760,124	7,861,460	2,120,978
Other postemployment benefits liability	7,785,049	8,141,086	4,793,386	11,132,749	-
Net pension obligation	94,405,588	-	234,289	94,171,299	-
<b>Totals</b>	<b>\$ 279,133,860</b>	<b>\$ 16,945,122</b>	<b>\$ 26,753,184</b>	<b>\$ 269,325,798</b>	<b>\$ 26,664,644</b>
<u>Business-type Activities:</u>					
Revenue bonds	\$ 148,400,000	\$ 75,205,000	\$ 14,315,000	\$ 209,290,000	\$ 9,060,000
Compensated absences	2,507,733	2,093,676	2,051,877	2,549,532	1,083,404
Capital leases	2,522,315	-	358,533	2,163,782	368,788
Notes and loans payable	134,356,392	23,822,570	23,228,208	134,950,754	8,622,875
Other long-term liabilities	15,341	-	15,341	-	-
Net pension obligation	197,674	420,647	-	618,321	-
<b>Totals</b>	<b>\$ 287,999,455</b>	<b>\$ 101,541,893</b>	<b>\$ 39,968,959</b>	<b>\$ 349,572,389</b>	<b>\$ 19,135,067</b>
<u>Discretely presented component units:</u>					
Lease rental revenue bonds payable	\$ 69,205,000	\$ 25,135,000	\$ 28,185,000	\$ 66,155,000	\$ 3,215,000
Capital leases	26,095,397	-	1,092,403	25,002,994	1,099,532
<b>Totals</b>	<b>\$ 95,300,397</b>	<b>\$ 25,135,000</b>	<b>\$ 29,277,403</b>	<b>\$ 91,157,994</b>	<b>\$ 4,314,532</b>

The major governmental and proprietary funds are primarily used to liquidate the liability for compensated absences.

The major governmental and proprietary funds and the pension trust funds are primarily used to liquidate the liability for net pension obligation.

The major governmental funds are primarily used to liquidate the liability for other postemployment benefits.

B. Description of Bond Issues

Primary government:

<u>Governmental Activities:</u>	<u>Balance,</u> <u>12/31/12</u>	<u>Due Within</u> <u>One Year</u>	<u>Premium</u> <u>(Deferral of</u> <u>Loss on</u> <u>Refunding)</u>	<u>Due In More</u> <u>Than One Year</u>
General Obligation Bonds:				
\$3,100,000 2009 Park District Refunding Bonds due in installments of \$295,000 to \$355,000 plus interest through July 1, 2019; interest at 3 percent to 4 percent.	\$ 2,245,000	\$ 295,000	\$ (105,979)	\$ 1,844,021
<u>Governmental Activities:</u>	<u>Balance,</u> <u>12/31/2012</u>	<u>Due Within</u> <u>One Year</u>	<u>Premium</u> <u>(Discount)</u>	<u>Due In More</u> <u>Than One Year</u>
Special Obligation Bonds:				
\$25,000,000 2005 Economic Development Income Tax Revenue Bonds due in installments of \$1,305,000 to \$1,510,000 plus interest through December 1, 2016; interest at 4.25 percent.	\$ 11,230,000	\$ 2,635,000	\$ 129,980	\$ 8,724,980
\$3,310,000 Redevelopment District Revenue Bonds, Series 2005 A-1 due in installments of \$110,000 to \$155,000 through June 1, 2021; interest at 4.25 percent to 5.0 percent.	2,235,000	220,000	29,253	2,044,253
\$6,690,000 Redevelopment District Revenue Bonds, Series 2005 A-2 due in installments of \$220,000 to \$330,000 through June 1, 2021; interest at 4.85 percent to 5.24 percent.	4,585,000	445,000	-	4,140,000
\$10,000,000 Redevelopment District Revenue Bonds, Series 2005 B due in installments of \$515,000 to \$595,000 through December 1, 2016; interest at 4.00 percent to 4.125 percent.	4,440,000	1,040,000	15,870	3,415,870
\$10,000,000 2005 Park District Improvement Bonds due in installments of \$1,315,000 to \$1,415,000 plus interest through July 15, 2015; interest at 3.75 percent.	4,090,000	1,315,000	-	2,775,000
\$30,000,000 2009 Economic Development Income Tax Revenue Bonds due in installments of \$400,000 to \$1,015,000 plus interest through June 1, 2034; interest at 3.0 percent to 5.125 percent.	27,465,000	805,000	(454,709)	26,205,291
Total Special Obligation Bonds	\$ 54,045,000	\$ 6,460,000	\$ (279,606)	\$ 47,305,394

First Mortgage Bonds:	Balance, 12/31/2012	Due Within One Year	Premium (Discount)	Due In More Than One Year
\$4,215,000 2005 First Mortgage Bonds due in installments of \$135,000 to \$185,000 plus interest through December 1, 2020; interest at 4.00 percent to 4.50 percent.	\$ 2,555,000	\$ 275,000	\$ -	\$ 2,280,000
\$20,825,000, 2006 First Mortgage Bonds due in installments of \$1,320,000 to \$1,895,000 plus interest through December 15, 2022; interest at 4.38 percent to 5.01 percent.	16,130,000	1,320,000	-	14,810,000
\$7,655,000, 2009 First Mortgage Bonds-Series 2009A due in installments of \$155,000 to \$815,000 plus interest through December 15, 2022; interest at 3.00 percent to 4.125 percent.	6,490,000	615,000	125,940	6,000,940
\$8,840,000, 2009 First Mortgage Bonds-Series 2009B due in installments of \$690,000 to \$2,465,000 plus interest through December 15, 2029; interest at 5.60 percent to 6.37 percent.	8,840,000	-	-	8,840,000
<b>Total First Mortgage Bonds</b>	<b>\$ 34,015,000</b>	<b>\$ 2,210,000</b>	<b>\$ 125,940</b>	<b>\$ 31,930,940</b>

<u>Business-type Activities:</u> Revenue Bonds:	Balance, 12/31/2012	Due Within One Year	Premium (Discount/ Deferral of Loss on Refunding)	Due In More Than One Year
\$1,700,000 2001 Parking Garage Revenue Bonds due in installments of \$95,000 to \$140,000 plus interest through January 15, 2021; interest at 5.13 percent to 5.59 percent.	\$ 1,035,000	\$ 95,000	\$ -	\$ 940,000
\$5,750,000 2002 Sewage Works Junior Revenue Bonds, Series C due in installments of \$420,000 to \$500,000 plus interest through 2017; interest at 1.3 percent to 4.55 percent.	2,295,000	420,000	-	1,875,000

<u>Business-type Activities:</u>	Balance, 12/31/2012	Due Within One Year	Premium (Discount/ Deferral of Loss on Refunding)	Due In More Than One Year
Revenue Bonds:				
\$5,800,000 2003 Water Works Revenue Bond due in installments of \$425,000 to \$505,000 plus interest through 2017; interest at 2.0 percent to 4.25 percent.	2,310,000	425,000	5,782	1,890,782
\$12,350,000 2003 Sewage Works Junior Revenue Bonds due in installments of \$860,000 to \$1,045,000 plus interest through 2018; interest at 2.0 percent to 3.8 percent.	5,690,000	860,000	9,585	4,839,585
\$16,700,000 2006 Water Works Revenue Bond due in installments of \$1,420,000 to \$2,345,000 plus interest through 2019; interest at 2.7 percent to 4.4 percent.	12,260,000	1,420,000	28,015	10,868,015
\$17,000,000 2006 Stormwater Management District Revenue Bond due in installments of \$1,065,000 to \$1,500,000 plus interest through 2021; interest at 3.75 percent to 4.0 percent.	11,420,000	1,065,000	32,725	10,387,725
\$24,155,000 2007 Sewage Works Revenue Bonds of 2007, due in installments of \$970,000 to \$1,775,000 plus interest through 2027; interest at 4.25 percent to 4.75 percent.	19,930,000	970,000	(18,522)	18,941,478
\$41,045,000 2010 Sewage Works Revenue Bonds of 2010, due in installments of \$1,715,000 to \$3,135,000 plus interest through 2030; interest at 4.25 percent to 4.50 percent.	41,045,000	1,715,000	(214,790)	39,115,210
\$38,100,000 2011 Sewage Works Revenue Bonds of 2011, due in installments of \$2,580,000 to \$3,490,000 plus interest through 2026; interest at 2.8 percent.	38,100,000	-	-	38,100,000
\$15,530,000 2012 Sewage Works Revenue Bonds of 2012, due in installments of \$1,000,000 to \$1,295,000 plus interest through 2027; interest at 2.0 percent to 3.0 percent.	15,530,000	-	671,528	16,201,528
\$19,675,000 2012 Sewage Works Refunding Revenue Bonds of 2012, due in installments of \$1,500,000 to \$2,140,000 plus interest through 2022; interest at 1.45 percent.	19,675,000	1,500,000	(217,907)	17,957,093
\$40,000,000 2012 Water Works Revenue Bonds of 2012, due in installments of \$590,000 to \$2,975,000 plus interest through 2032; interest at 2.0 percent to 3.0 percent.	40,000,000	590,000	564,643	39,974,643
Total Revenue Bonds	<u>\$ 209,290,000</u>	<u>\$ 9,060,000</u>	<u>\$ 861,059</u>	<u>\$ 201,091,059</u>

Discretely presented component units:

	Balance 12/31/2012	Due Within One Year	Premium (Discount/ Deferral of Loss on Refunding)	Due In More Than One Year
Lease Rental Revenue Bonds:				
\$25,635,000 2007A Fort Wayne Redevelopment Authority Lease Rental Revenue Bonds due in installments of \$250,000 to \$1,405,000 plus interest through February 1, 2034; interest at 4.50 percent to 5.25 percent.	\$ 25,635,000	\$ -	\$ 126,620	\$ 25,761,620
\$18,235,000 2007B Fort Wayne Redevelopment Authority Lease Rental Revenue Bonds due in installments of \$635,000 to \$1,450,000 plus interest through February 1, 2020; interest at 5.0 percent to 5.8 percent.	15,385,000	1,495,000	(40,984)	13,849,016
\$25,135,000 2012 Fort Wayne Redevelopment Authority Lease Rental Revenue Refunding Bonds due in installments of \$1,230,000 to \$1,980,000 plus interest through February 1, 2028; interest at 3.0 percent to 5.0 percent.	25,135,000	1,720,000	1,409,027	24,824,027
Total Lease Rental Revenue Bonds	<u>\$ 66,155,000</u>	<u>\$ 3,215,000</u>	<u>\$ 1,494,663</u>	<u>\$ 64,434,663</u>

The general obligation bond is backed by the full faith and credit of the City of Fort Wayne.

The special obligation bonds and first mortgage bonds are not backed by the full faith and credit of the City of Fort Wayne. The 2005 Series B and 2005 Park District Bonds, and in addition, the 2005 and 2009 Economic Development Income Tax Revenue Bonds, special obligation bonds, are secured by a pledge of the City's Economic Development Income Tax revenues. The special obligation bond section also includes the 2005 Series A-1 and A-2 redevelopment district revenue bonds that are an obligation of the redevelopment district whose boundaries and taxing district are within the City. The 2005, 2006, 2009 Series A, and 2009 Series B First Mortgage Bonds are secured by the pledge of the mortgaged property.

The general obligation, special obligation, and first mortgage bonds are payable from governmental funds. The revenue bonds are payable from proprietary (enterprise) funds.

The lease rental revenue bonds are payable from the Redevelopment Authority, a discretely presented component unit of the City.

C. Debt Service Requirement to Maturity - Bonds

Annual debt service requirements to maturity on the bonds are as follows:

Primary government:

Governmental Activities:

Year Ended December 31	General Obligation			Special Obligation		
	Principal	Interest	Totals	Principal	Interest	Totals
2013	\$ 295,000	\$ 80,750	\$ 375,750	\$ 6,460,000	\$ 2,375,969	\$ 8,835,969
2014	300,000	71,900	371,900	6,720,000	2,115,820	8,835,820
2015	310,000	62,900	372,900	6,990,000	1,841,328	8,831,328
2016	315,000	53,600	368,600	5,830,000	1,547,862	7,377,862
2017	330,000	41,000	371,000	1,735,000	1,338,503	3,073,503
2018-2022	695,000	42,000	737,000	8,385,000	5,471,185	13,856,185
2023-2027	-	-	-	6,555,000	3,830,150	10,385,150
2028-2032	-	-	-	8,400,000	1,988,740	10,388,740
2033-2037	-	-	-	2,970,000	153,493	3,123,493
<b>Total</b>	<b>\$ 2,245,000</b>	<b>\$ 352,150</b>	<b>\$ 2,597,150</b>	<b>\$ 54,045,000</b>	<b>\$ 20,663,050</b>	<b>\$ 74,708,050</b>

Business-type Activities:

Year Ended December 31	First Mortgage			Revenue		
	Principal	Interest	Totals	Principal	Interest	Totals
2013	\$ 2,210,000	\$ 1,653,709	\$ 3,863,709	\$ 9,060,000	\$ 6,633,386	\$ 15,693,386
2014	2,295,000	1,566,343	3,861,343	13,615,000	6,623,640	20,238,640
2015	2,390,000	1,474,550	3,864,550	14,150,000	6,193,653	20,343,653
2016	2,485,000	1,376,050	3,861,050	14,520,000	5,742,780	20,262,780
2017	2,590,000	1,269,743	3,859,743	14,915,000	5,276,220	20,191,220
2018-2022	13,895,000	4,503,422	18,398,422	67,735,000	19,487,528	87,222,528
2023-2027	4,655,000	2,001,241	6,656,241	52,265,000	9,684,597	61,949,597
2028-2029	3,495,000	379,652	3,874,652	23,030,000	2,109,678	25,139,678
<b>Total</b>	<b>\$ 34,015,000</b>	<b>\$ 14,224,710</b>	<b>\$ 48,239,710</b>	<b>\$ 209,290,000</b>	<b>\$ 61,751,482</b>	<b>\$ 271,041,482</b>

Discretely presented component units:

Year Ended December 31	Lease Rental Revenue		
	Principal	Interest	Totals
2013	\$ 3,215,000	\$ 3,058,525	\$ 6,273,525
2014	2,980,000	2,935,635	5,915,635
2015	3,190,000	2,804,138	5,994,138
2016	3,305,000	2,655,625	5,960,625
2017	3,585,000	2,489,296	6,074,296
2018-2022	19,825,000	9,608,106	29,433,106
2023-2027	21,180,000	4,836,055	26,016,055
2028-2032	7,370,000	1,050,247	8,420,247
2033-2037	1,505,000	75,875	1,580,875
Total	<u>\$ 66,155,000</u>	<u>\$ 29,513,502</u>	<u>\$ 95,668,502</u>

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

The Water Utility, Wastewater Utility and Stormwater Utility bonds carry a pledge of all the revenues of the utilities and, upon default, the holders of the bonds are entitled to all the rights, remedies, and privileges required to compel the collection of sufficient revenues to provide for all payments of principal and interest.

D. Capital Leases Payable

Primary government:

The City has entered into the following capital leases:

Governmental Activities:

Year	Description	Carrying Value
2006	Fire Trucks	\$ 2,750,000
2007	Parking Garage	18,235,000
2008	Equipment	5,150,000
2009	Equipment	2,900,000
2009	Baseball Stadium	25,635,000
2010	Equipment	4,200,000
2011	Equipment	8,200,000
2012	Radios	5,570,506
	Totals	<u>\$ 72,640,506</u>

Business-type Activities:

2011	Recycle Bin Containers	<u>\$ 2,700,000</u>
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Discretely presented component units:

In 2003, the Allen County Fort Wayne Capital Improvement Board of Managers entered into a \$33,455,248 capital lease for expansion of the Grand Wayne Center.

The following is a schedule of minimum future lease payments and present values of the net minimum lease payments under these capital leases as of December 31, 2012:

Year Ended December 31	Primary Government		Discretely Presented Component Units
	Governmental Activities	Business-type Activities	
2013	\$ 8,629,643	\$ 427,639	\$ 2,449,300
2014	7,533,076	427,640	2,217,300
2015	6,871,578	427,639	2,220,300
2016	5,547,491	427,639	2,217,300
2017	4,719,262	641,458	2,215,300
2018-2022	20,372,523	-	11,091,500
2023-2027	16,005,000	-	10,400,500
2028-2032	6,419,000	-	2,082,300
2033-2034	1,587,500	-	-
Total minimum lease payments	77,685,073	2,352,015	34,893,800
Less amount representing interest	21,253,342	188,233	9,890,806
Present value of net minimum lease payments	<u>\$ 56,431,731</u>	<u>\$ 2,163,782</u>	<u>\$ 25,002,994</u>

E. Loans Payable

	<u>Balance 12-31-12</u>
<u>Governmental Activities:</u>	
The City borrowed \$1,140,000 in 1999. Payments are due in installments of \$85,000 to \$105,000 plus interest 4.83 to 5.19 percent through August 1, 2016. This loan is payable from the Community Development Block Grant Fund (non-major special revenue fund).	\$ 380,000
The City borrowed \$2,500,000 in 2008. The remaining installment due is \$1,500,000 plus interest of 5.75 percent through July 1, 2013. This loan is payable from the CEDIT Fund.	1,500,000
The City borrowed \$6,250,000 in 2008. Payments are due in installments of \$350,000 to \$400,000 plus interest between 4.08 percent and 5.33 percent through August 1, 2027. This loan is payable from the Community Development Block Grant Fund (non-major special revenue fund).	5,550,000
The City borrowed \$1,100,000 in 2008. Payments are due in installments of \$53,460 to \$192,022 plus interest at prime rate through December 18, 2015. This loan is payable from the Redevelopment Fund.	<u>431,460</u>
Total	<u>\$ 7,861,460</u>

Annual debt service requirements to maturity for the loans as of December 31, 2012, are as follows:

Business-type Activities:

<p>During 2005, 2009, 2011 and 2012 the City entered into finance assistance agreements with the State of Indiana's Wastewater Revolving Loan program that allows for a maximum of \$40,000,000, \$5,000,000, \$33,576,000 and \$10,415,000 in 2005, 2009, 2011 and 2012 respectively, for improvements at the Wastewater treatment facility. At December 31, 2012, \$40,000,000, \$5,000,000, \$19,909,835 and \$4,435,333 had been drawn down against the 2005, 2009, 2011 and 2012 agreements, respectively, resulting in unissued loan principal of \$19,645,832. The City does not intend to draw any more funds against either the 2005 or 2009 agreement. Payments are due in installments of \$1,825,000 to \$2,635,000 plus interest at 3.1 percent through 2025 for the 2005 agreement. Payments are due in installments of \$241,883 to \$248,547 plus interest at .16 percent through 2030 for the 2009 agreement. Payments are due in installments of \$1,379,000 to \$2,073,000 plus interest at 2.29 percent through 2031 for the 2011 agreement. Payments are due in installments of \$453,000 to \$612,000 plus interest at 1.78 percent through 2032 for the 2012 agreement. The following debt service requirements to maturity reflect the anticipated loan payments after the loans have been drawn down completely.</p>	<p>\$ 56,233,784</p>
<p>During 2006, 2009 and 2011, the city participated in a shared loan arrangement through State of Indiana's State Revolving Fund Pooled Loan program. This program allows Indiana municipalities to collectively borrow funds under the AAA rating of the State of Indiana's creditworthiness as well as receive other financial benefits. Under this program, the City received \$31,900,000 in 2006 to invest in improvements to the Water Utility's infrastructure. Payments are due in installments of \$2,020,000 to \$2,755,000 plus interest at 3.95 percent through 2021. In 2009, the City received \$29,091,005 to invest in improvements in the Wastewater Utility's infrastructure. Payments are due in installments of \$1,042,421 to \$2,084,297 plus interest at 4.16 percent through 2030. In 2011, the City received \$26,906,000 to invest in improvements in the Water Utility's infrastructure. Payments are due in installments of \$1,000 to \$2,073,000 plus interest at 2.967 percent through 2031.</p>	<p>75,380,399</p>
<p>During 2009, the City entered into a finance assistance agreement with the State of Indiana's Wastewater Revolving Loan program in which the City received \$906,000 for the purchase of wastewater assets from the Town of Zanesville. The interest rate is 2.0 percent and the principal matures serially in amounts ranging from \$115,000 in 2013 to \$120,000 in 2016.</p>	<p>471,000</p>
<p>During 2011, the City entered into a finance assistance agreement with State of Indiana's Waterworks revolving loan program in which the City received \$3,094,000 for improvement of waterworks utility. The interest rate is 3.746 percent and the principal matures serially in amounts ranging from \$1,272,000 in 2013 to \$1,320,000 in 2014.</p>	<p>2,592,000</p>
<p>On July 15, 2004 the City purchased for \$1,915,000 the 50% interest in Phase II of the Civic Parking Garage owned by the Fort Wayne Public Transportation Corporation. The City financed the purchase with a seven-year non-interest bearing loan. Payments are due in annual installments of \$273,571 from 2007 through 2013.</p>	<p><u>273,571</u></p>
<p>Total</p>	<p><u>\$ 134,950,754</u></p>

Annual debt service requirements to maturity for the loans as of December 31, 2012, are as follows:

Year Ended December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Totals	(Anticipated) Principal	(Anticipated) Interest	Totals
2013	\$ 2,120,978	\$ 389,229	\$ 2,510,207	\$ 8,622,875	\$ 4,398,826	\$ 13,021,701
2014	632,022	278,830	910,852	8,602,057	4,429,574	13,031,631
2015	503,460	253,662	757,122	8,685,612	4,150,738	12,836,350
2016	455,000	231,699	686,699	8,962,048	3,878,593	12,840,641
2017	350,000	210,570	560,570	9,127,442	3,597,109	12,724,551
2018-2022	1,800,000	804,840	2,604,840	47,454,531	13,446,092	60,900,623
2023-2027	2,000,000	319,400	2,319,400	37,551,087	6,722,251	44,273,338
2028-2032	-	-	-	25,590,934	1,726,745	27,317,679
Unissued	-	-	-	(19,645,832)	-	(19,645,832)
Total	\$ 7,861,460	\$ 2,488,230	\$ 10,349,690	\$ 134,950,754	\$ 42,349,928	\$ 177,300,682

#### F. Debt Refunding

On December 4, 2012 the Wastewater Utility issued \$19,675,000 in refunding revenue bonds with an average interest rate of 1.45% to advance refund \$15,107,351 of outstanding 2002A series SRF loans with an interest rate of 4.00% annually and \$5,720,000 2002B series bonds with an interest rate range from 3.50% to 5.50%. The net proceeds of \$19,742,284 and local contribution of \$1,746,788 were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2002A loans and 2002B series bonds. As a result, these bonds and loans are considered to be defeased and the liabilities for those bonds and loans have been removed from the Statement of Net Position. The 2002A series SRF loans were called and paid in full in December, 2012. The 2002B series bonds were called and repaid in February, 2013. The refunding results in the accounting loss of \$283,536, which has been recognized on the Statement of Net Position as a net reduction of noncurrent bonds payable. This amount will be amortized using the straight line method and charged to interest expense over the next 10 years. The Wastewater Utility in effect lowered its aggregate debt service payment by \$4,410,628 over the next 11 years and realized an economic gain (difference between the present values of the old and new debt service payments) of \$2,411,890.

#### Note 6. Operating Leases

The City leased office space for various City Departments. These leases were considered, for accounting purposes, to be operating leases.

The City had a lease with the McMillen Foundation for \$200,000 annually, commencing October 1, 2004 and terminating September 30, 2009. The lease was for the entire building at 1320 E. Creighton Avenue, which houses the Police Operations Center. In September, 2009, the City entered into a verbal agreement with the McMillen Foundation to continue the lease on a month to month basis at the same rate as the previous lease. The Police Operations Center move to their new offices at the Edwin J. Rousseau Center was completed on March 30, 2012. The period covered for the last lease payment to the McMillan Foundation ended on March 31, 2012.

The City has a lease with J.D. Ventures, II, LLC for \$57,077 annually, commencing May 1, 2012 and terminating April 30, 2017. The lease is for the entire office warehouse building at 3220 Ciera Court. The building is being used for storage of city vehicles and related activities.

The City of Fort Wayne entered into a leasing agreement with Ivy Tech Community College on November 1, 2012 to lease to Ivy Tech Community College the entire Public Safety Academy for \$1 per year. This lease ends on December 31, 2022. The City of Fort Wayne entered into a leasing agreement with Ivy Tech Community College on November 1, 2012 to sublease 43,489 square feet of the Public Safety Academy at an annual amount of \$434,890 with a five year automatic renewal option. These leased facilities will be used by the Fort Wayne Police and Fire Department academies for the operation of their training facilities.

Note 7. Deficit Fund Balances

The following funds have deficit fund balances at December 31, 2012:

Primary Government:

Non-Major Debt Service fund - Deficit fund balance:

Public Safety Academy \$ 1,735,577

Non-Major Special Revenue funds - Deficit fund balance:

Omnibus Crime 1,456  
 Urban Enterprise Association 2,019

Total Deficit fund balances \$ 1,739,052

The deficit net fund balances listed above will be eliminated in 2013 by a decrease in expenditures and an increase in revenues.

Note 8. Interfund Balances and Activity

A. Due To/From Other Funds

The composition of due to/from other funds as of December 31, 2012, is as follows:

Due To	Due From									Total
	General	CEDIT	Parks	Non-major Governmental	Water	Wastewater	Stormwater	Non-major Enterprise	Internal Service	
Governmental:										
General	\$ -	\$ -	\$ -	\$ -	\$261,553	\$ 2,045	\$ 7,420	\$ -	\$ -	\$ 271,018
Redevelopment	-	-	-	-	-	165,000	-	-	-	165,000
Community Legacy	-	-	-	-	-	2,854	-	-	-	2,854
Non-major Governmental	-	-	-	-	299,825	102,704	7,381	-	-	409,910
Proprietary:										
Water	1,201,860	-	598	9,705	-	-	-	423,109	66,222	1,701,494
Wastewater	98,730	-	-	20,891	-	-	-	644,367	58,233	822,221
Stormwater	14,253	3,046	-	4,972	-	-	-	222,553	17,556	262,380
Non-major Enterprise	250	-	-	76	508	773	267	3,887	23	5,784
Internal Service	-	-	-	-	509	409	1,161	-	-	2,079
Totals	<u>\$1,315,093</u>	<u>\$ 3,046</u>	<u>\$ 598</u>	<u>\$ 35,644</u>	<u>\$562,395</u>	<u>\$ 273,785</u>	<u>\$ 16,229</u>	<u>\$1,293,916</u>	<u>\$142,034</u>	<u>\$3,642,740</u>

Due to/from other funds resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

B. Interfund Receivables/Payables

The following are reported in the fund financial statements:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Governmental:		Proprietary:	
Non-major Governmental	<u>\$ 915,532</u>	Water	\$ 436,658
		Wastewater	276,858
		Stormwater	201,805
		Non-major Enterprise	<u>211</u>
		Total	<u>\$ 915,532</u>

In 2012, the Utilities participated in the City's Commercial Master Lease in order to finance the purchase of rolling stock at a not to exceed value of \$1,322,000. The Utilities will repay the City with interest over the 5 year term of the lease. The \$915,532 represents the amount that the Utilities owes the City for its share of the Commercial Master Lease.

C. Interfund Receivables/Payables – Pooled Cash

The following are reported in the fund financial statements:

<u>Receivable Fund</u>		<u>Payable Fund</u>	
Governmental:		Governmental:	
Non-major Governmental	<u>\$ 2,969,543</u>	Non-major Governmental	<u>\$ 2,969,543</u>

The interfund receivable/payable – pooled cash reflects when one fund with positive cash covers another fund with negative cash within the same fund type.

D. Interfund Transfers:

Interfund transfers for the year ended December 31, 2012 in the fund financial statements were as follows:

Transfer From	Transfer To									
	General	Highways and Streets	CEDIT	Parks	Redevelopment	Community Legacy	Non-major Governmental	Stormwater	Internal Service	Total
Governmental:										
General	\$ -	\$ -	\$ 37,500	\$ 1,000	\$ -	\$ -	\$ 3,307,634	\$ -	\$ -	\$ 3,346,134
CEDIT	-	800,000	2,300,000	1,800,000	1,368,768	-	1,975,216	-	-	8,243,984
Fire	-	-	37,500	-	-	-	122,500	-	-	160,000
Redevelopment	-	-	782,933	53,000	5,509,807	-	64,041	-	-	6,409,781
Non-major Governmental	93,362	-	77,711	20,239	134,119	-	2,413,351	-	1,400,000	4,138,782
Proprietary:										
Water	2,307,685	-	-	-	-	-	-	-	-	2,307,685
Wastewater	3,621,643	-	-	-	-	-	-	2,992,637	-	6,614,280
Stormwater	1,117,374	-	-	-	-	-	-	-	-	1,117,374
Non-major Enterprise	-	766,040	-	-	-	61,368,700	-	-	-	62,134,740
Total	<u>\$ 7,140,064</u>	<u>\$ 1,566,040</u>	<u>\$ 3,235,644</u>	<u>\$ 1,874,239</u>	<u>\$ 7,012,694</u>	<u>\$ 61,368,700</u>	<u>\$ 7,882,742</u>	<u>\$ 2,992,637</u>	<u>\$ 1,400,000</u>	<u>\$ 94,472,760</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt payments become due, (3) use unrestricted revenues from the General fund and CEDIT fund to finance

various programs accounted for in other funds in accordance with statutes or budgetary authorizations and (4) transfer of Stormwater Utility assets from the Wastewater Utility.

Note 9. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters. The City assumes some of these risks as described below and carries commercial insurance from independent third parties for excess risk. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

Self Insurance

Beginning in 2012, the activity for General and Auto Liability, Worker's Compensation, and the Group Health Insurance is accounted for in the Self Insurance fund, an internal service fund.

General and Auto Liability

The City is assuming the risk in this area up to the Indiana governmental tort liability limit of \$700,000 per occurrence and \$5,000,000 per aggregate. Funding levels are determined by a formula based on actuarially recommended minimums by type of risk. Interfund premiums are billed on a cost allocation basis most appropriate to type of risk involved, and are treated as interfund services provided and used. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

Worker's Compensation Insurance

Indiana worker's compensation laws require the City to compensate an employee with partial temporary disabilities at a rate of 66 2/3% of the difference between the employee's average weekly wages before and after the accident. An excess policy covers individual claims in excess of \$250,000 per employee per injury. The risk of loss related to Police Officers and Firefighters is assumed separately from this fund, as defined under the Indiana Police and Fire Pension Fund laws.

Premiums are paid into the Self Insurance Fund by all insured funds and are available to pay claims, claim reserves, and administrative costs of the program. Actuarially recommended interfund premiums are based primarily upon the insured funds' number of employees and the risks involved in their jobs, and are reported as interfund services provided and used. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At December 31, 2012, the liability for Worker's Compensation was \$543,433. This liability is the City's best estimate based on available information. An analysis of claims activities is presented below:

	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2011	\$ 1,402,274	\$ (516,388)	\$ 155,475	\$ 730,411
2012	730,411	683,683	870,661	543,433

### Group Health Insurance

An excess policy covers individual claims in excess of \$275,000 per year. In addition, the insurance company assumes the risk when total monthly claims exceed an amount based upon an aggregate monthly factor that averaged \$2,765,307 in 2012.

Premiums are paid into the Self Insurance fund by all insured funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based primarily upon the insured funds' number of employees, and are reported as interfund services provided and used. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At December 31, 2012, the liability for Group Health Insurance was \$1,453,447. This liability is the City's best estimate based on available information. An analysis of claims activities is presented below:

	<u>Beginning Balance</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2011	\$ 2,321,639	\$ 20,424,791	\$ 20,822,461	\$ 1,923,969
2012	1,923,969	25,203,920	25,674,442	1,453,447

Note 10. Segment Information

<u>Types of Good or Services Provided:</u>	<u>2001 Parking Garage Addition</u> Used to account for revenues and expenses in connection with the joint City and County parking facility addition.
<u>Condensed Statement of Net Position</u>	
Assets:	
Restricted cash and cash equivalents	\$ 4,018
Unamortized issuance costs	31,974
Capital assets (net of accumulated depreciation)	<u>1,180,205</u>
Total assets	<u>1,216,197</u>
Liabilities:	
Current liabilities	120,996
Revenue bonds payable, net	<u>940,000</u>
Total liabilities	<u>1,060,996</u>
Net position:	
Invested in capital assets	145,205
Restricted for debt service	<u>9,996</u>
Total net position	<u>\$ 155,201</u>
<u>Condensed Statement of Revenues, Expenses and Changes in Net Position</u>	
Depreciation expense	<u>\$ (42,150)</u>
Operating income	<u>(42,150)</u>
Nonoperating revenues (expenses):	
Interest and investment revenue	3
Interest expense	(56,909)
Amortization of debt issuance costs	<u>(3,553)</u>
Change in net position	(102,609)
Total net position - beginning	<u>257,810</u>
Total net position - ending	<u>\$ 155,201</u>
<u>Condensed Statement of Cash Flows</u>	
Net cash provided (used) by:	
Capital and related financing activities	\$ (148,985)
Investing activities	<u>3</u>
Net decrease in cash and cash equivalents	(148,982)
Cash and cash equivalents, January 1	<u>153,000</u>
Cash and cash equivalents, December 31	<u>\$ 4,018</u>

Note 11. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

The Fort Wayne Retiree Healthcare Plan is a single-employer defined benefit healthcare plan administered by the City of Fort Wayne in an internal service fund. The plan provides health care benefits and life insurance to eligible retirees and their spouses. IC 5-10-8 assigns the authority to establish and amend benefit provisions to the City.

Funding Policy

The contribution requirements of plan members for the Fort Wayne Retiree Healthcare Plan are established by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2012, the City contributed \$4,793,386 to the plan.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The latest actuarial study was done as of December 31, 2011 with a December 31, 2012 projection. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the plan.

Annual required contribution	\$ 8,220,636
Interest on net OPEB obligation	428,178
Adjustment to ARC	<u>(507,728)</u>
Annual OPEB cost	8,141,086
Contributions made	<u>4,793,386</u>
Increase in net OPEB obligation	3,347,700
Net OPEB obligation, beginning of year	<u>7,785,049</u>
Net OPEB obligation, end of year	<u><u>\$ 11,132,749</u></u>

The City's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 8,141,086	59%	\$ 11,132,749
12/31/2011	7,041,980	56%	7,785,049
12/31/2010	6,879,223	65%	4,665,441

### Funding Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$75,828,671 and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$75,828,671. The covered payroll (annual payroll of active employees covered by the plan) was \$101,069,487 and the ratio of the UAAL to covered payroll was 75%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about a probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations.

In the December 31, 2011, actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 10% initially, reduced by decrements to an ultimate rate of 5% after twenty one years. All inflation is covered under the health care cost trend rate. A 5.5% rate of return on investments is assumed. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2012, was 23 years.

### Note 12. Conduit Debt

From time to time, the City of Fort Wayne has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City of Fort Wayne, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2012, there were 12 series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for 11 series issued after July 1, 1985 was \$31,081,470. The aggregate principal amount payable for the one series issued prior to July 1, 1985, could not be determined; however, the original issue amount was \$8,452,000.

## Note 13. Restricted Assets

The City has restricted assets for the following Governmental fund account.

### Debt Service Reserve

An amount of money that is required to maintain the reserve account in the full amount of a sum equal to the least of (i) the maximum semiannual debt reserve on the bonds, or (ii) 125% of the average annual debt service on the bonds, or (iii) ten percent (10%) of the proceeds of the bond.

The City has restricted assets for the following Proprietary (Enterprise) fund accounts.

### Sinking Fund

Monthly deposits into sinking fund account for the Sewage Works Utility's net revenues is required to be in an amount equal to at least 1/6 of the next semi-annual interest payment and 1/12 of the next annual principal payment. Other related debt service requirements are held in the debt service account.

Monthly deposits into sinking fund accounts of both the Water and Stormwater Utilities' net revenues are required to be in an amount equal to at least 1/6 of the next semi-annual interest payments and 1/12 of the next annual principal payments. Upon meeting certain minimum balance requirements, transfers may be made to unrestricted cash accounts. Surety bonds purchased by the Utilities cover the Waterworks and Stormwater Reserve Accounts requirements.

### Debt Service Reserve

In addition to the sinking fund accounts, revenue bonds require debt service "reserve accounts" which require funding at: the lesser of 10% of bond proceeds, the maximum annual principal and interest required thereon, or 125% of the average annual principal and interest requirements thereon. The Utilities calculate its debt service reserve accounts on a consolidated basis and may fund the debt service reserve by holding cash or through the purchase of surety bond insurance. Among other requirements, the surety bond insurer must maintain a AAA or Aaa rating with Standards and Poor's or Moody's respectively.

Prior to 2009, all Utility revenue bonds' debt service reserves were funded through surety bond insurance except the Sewage Works Junior Revenue Bonds of 1998 A and 1998 B which were cash funded. As a result of the financial crisis that occurred in late 2008 – early 2009 and up to and including 2010, the surety bond insurers failed to maintain their AAA/Aaa rating. While still insured, this failure to maintain AAA/Aaa ratings required the Utilities to cash fund the debt service reserve accounts for the affected revenue bonds. As of December 31, 2012, all surety bond insurance for Waterworks and Sewage Works Revenue Bonds have been replaced with cash funded debt service reserves as required by bond ordinance.

The surety bond insurer for the Stormwater Management District Revenue Bonds of 2006 has failed to maintain the required AAA/Aaa rating. The appropriate disclosures have been made to the bondholders and no other action has been taken.

### Construction

Unspent bond issue proceeds to be used in the construction of designated capital assets are included in this account.

### Airport Expressway

In 2010, Water Utility entered into a tri-lateral agreement with the Redevelopment Commission and a Developer to construct a water main extension along the airport expressway. The Redevelopment Commission agreed to advance TIF funds to the Water Utility at such times so as to pay the Developer according to the contractual payment schedule. Monies received by the Water Utility prior to the Developer's payment due date will be held in a restricted account.

### Customer Deposits

Customer deposits are refundable amounts received from Water Utility customers to insure against nonpayment of billings or water main damages.

### Connection Fees

Certain area connection fees are designated for repayment of certain development costs as well as for reinvestment in specific areas. The unspent connection fees are reported in this restricted category.

### Septic Elimination Program

In 2009, the Fort Wayne Board of Public Works authorized the creation of a City Utilities Revolving Fund as an alternative funding source for septic tank elimination in Allen County. This fund provides the funding necessary to construct wastewater mains allowing homeowners to discontinue use of failing septic tanks and connect to public infrastructure. The program also provides financial incentives to encourage septic tank elimination. Any unexpended funds are restricted for future septic tank elimination projects.

Restricted assets at year-end consisted of the following:

Asset Type/Account	Governmental Funds	Enterprise Funds				Totals
	CEDIT	Water Utility	Wastewater Utility	Stormwater Utility	Other Non-Major Enterprise	
Cash and cash equivalents						
Sinking fund	\$ -	\$ 748,415	\$ 6,693,100	\$ 634,083	\$ 4,018	\$ 8,079,616
Debt service reserve	2,082,484	4,464,834	15,407,465	-	-	19,872,299
Construction	-	28,252,193	38,696,681	-	-	66,948,874
Airport expressway	-	313,247	-	-	-	313,247
Customer deposits	-	1,371,631	-	-	-	1,371,631
Connection fees	-	-	115,270	-	-	115,270
Septic elimination program	-	-	1,096,718	-	-	1,096,718
<b>Total</b>	<b>\$ 2,082,484</b>	<b>\$ 35,150,320</b>	<b>\$ 62,009,234</b>	<b>\$ 634,083</b>	<b>\$ 4,018</b>	<b>\$ 97,797,655</b>
Investment						
Debt service reserve	\$ -	\$ 5,042,750	\$ 5,042,750	\$ -	\$ -	\$ 10,085,500
<b>Total Restricted Assets</b>	<b>\$ 2,082,484</b>	<b>\$ 40,193,070</b>	<b>\$ 67,051,984</b>	<b>\$ 634,083</b>	<b>\$ 4,018</b>	<b>\$ 107,883,155</b>

### Note 14. Restatements – Prior Period Adjustments

For the year ended December 31, 2012, certain changes have been made to the non-major governmental funds and other non-major enterprise funds in order to correct prior period accounting errors.

In 2011 there were loans issued through the Neighborhood Stabilization programs (non-major special revenue funds) that were not accounted for until the following year. Therefore, the receivable was understated by these loan amounts. (Fund balance understated by \$689,379.)

In 2011 the assessments receivable in the Barrett Law Revolving Improvement fund (non-major capital projects funds) was overstated by an amount that was paid directly by City Utilities. Usually, all costs and reimbursements would flow through the Barrett Law system; however, since there

were costs related to the project in which City Utilities was the vendor to perform the work, there was not a billing between entities. The amount in the assessment receivable included the amount for the total project cost, but the portion paid directly by City Utilities was not reflected as a payment against the receivable. Therefore, the assessments receivable for this project was overstated. (Fund balance overstated by \$1,657,974.)

In 2011 the assessments receivable in the Barrett Law Commercial fund (non-major capital projects funds) was overstated due to customer payments not being applied. Therefore, the assessments receivable was overstated. (Fund balance overstated by \$450.)

In 2011 the accounting for the installment sale of Electric Utility (other non-major enterprise fund) assets to a private utility company did not properly recognize the gain on the sale of these assets. Therefore, the gain on installment sale was understated. (Net position understated by \$18,592,070.)

The following schedule presents a summary of restated beginning balances:

	Non-major Governmental Funds	Other Non-major Enterprise Funds
	<u>                    </u>	<u>                    </u>
Fund balance/Net position, 12/31/11	\$ 111,992,631	\$ 514,375,475
Prior period adjustments	<u>(969,045)</u>	<u>18,592,070</u>
Fund balance/Net position, 01/01/12 (restated)	<u>\$ 111,023,586</u>	<u>\$ 532,967,545</u>
Non-major Special Revenue Funds	\$ 689,379	
Non-major Capital Projects Funds	<u>(1,658,424)</u>	
Total prior period adjustments	<u>\$ (969,045)</u>	

Note 15. Lease and Subsequent Installment Sale of Electric Utility Assets

The Electric Utility had leased its entire utility system, including power plant, substations, and transmissions and distribution system, to a private electric utility serving the surrounding area. The lease term commenced March 1, 1975, and expired on February 28, 2010.

On October 28, 2010, the City entered into an agreement to transfer the remaining Electric Utility assets to the private electric utility (Transferee) which had previously leased the assets for 35 years under a lease agreement that expired on February 28, 2010. On August 10, 2011, the Indiana Utility Regulatory Commission approved the transfer agreement. Under the terms of the transfer agreement, the City transferred ownership of the remaining leased Electric Utility assets, relinquished the right to buy back any betterments under the expired lease and will never again supply electricity within the City of Fort Wayne. The Transferee, in exchange for the remaining Electric Utility assets and the right to be the exclusive supplier of electricity, paid an initial payment of \$5,786,270. The City paid \$555,000 to the Transferee for products and services provided to the City under the previous lease. The Transferee also agreed to pay to the City annual payments as per the following table:

Annual Amount	Period	Period Totals	Amount Received	Future Payments
\$ 1,740,000	3/1/10 to 2/28/13	\$ 5,220,000	\$ 5,075,000	\$ 145,000
2,200,000	3/1/13 to 2/28/16	6,600,000	-	6,600,000
2,400,000	3/1/16 to 2/28/21	12,000,000	-	12,000,000
2,600,000	3/1/21 to 2/28/25	10,400,000	-	10,400,000
Totals		\$34,220,000	\$ 5,075,000	\$29,145,000

For accounting purposes, the asset transfer is being treated as an installment sale. As of December 31, 2012, total future payments are \$ 29,145,000 which is reported as Installments receivable.

On January 1, 2012 Electric Utility balances, with the exception of the net capital assets not previously leased, were transferred to the City's Community Legacy Fund. The amount of the transfer was \$61,368,700.

**Note 16. City of Fort Wayne Community Legacy Fund**

City Council established the Community Trust Fund in 1975 to account for a portion of the proceeds received from a private utility leasing the assets of the Electric Utility. The lease of the Electric Utility expired on February 28, 2010. The trust received its final \$270,000 annual deposit in May, 2009 and is no longer entitled to future lease revenues or sales proceeds under the 1975 authorizing ordinance.

Under the provisions of the 1975 authorizing ordinance, the corpus of the trust was free from invasion as long as the lease is in force. However, as long as certain provisions are met, including approval by the citizens of Fort Wayne, the City Council had the ability to amend this ordinance and permit invasion of the trust corpus.

In November 2012, the City Council amended the original 1975 authorizing ordinance since there was an approved settlement agreement between the private electric utility and the City of Fort Wayne Electric Utility (see Note 15). The amended ordinance requires that the settlement funds be placed into the Community Legacy Fund (renamed from the Fort Wayne Community Trust) to be used for transformational investment and to leverage additional resources.

**Note 17. Net Investment in Direct Financing Lease**

In 1996, the City began leasing a building to the Three Rivers Ambulance Authority (TRAA). The lease is classified as a direct financing lease. The lease provides for monthly payments of \$5,829 to the City through maturity in 2016. Upon completion of the lease term, TRAA shall have the option to renew the lease for consecutive one year terms with annual payments of \$1.

The following is a schedule of the future minimum lease payments and the net investment in the direct financing lease:

	<u>Year</u>	<u>Amount</u>
	2013	69,947
	2014	69,947
	2015	69,947
	2016	<u>40,804</u>
Total Minimum Lease Payments		250,645
Less: Unearned Interest Income		<u>(21,604)</u>
Net Investment in Direct Financing Lease		<u>\$ 229,041</u>

Note 18. Unearned Revenue

The City reports the following unearned revenue balances in the governmental funds as of December 31, 2012:

<u>Unearned revenue:</u>	<u>Intergovernmental</u>	<u>Installment Interest</u>	<u>Miscellaneous Other</u>	<u>Total</u>
Parks	\$ -	\$ -	\$ 22,146	\$ 22,146
Community Legacy	-	10,947,341	-	10,947,341
Other Non-major Governmental	<u>264,358</u>	-	-	<u>264,358</u>
Total	<u>\$ 264,358</u>	<u>\$10,947,341</u>	<u>\$ 22,146</u>	<u>\$11,233,845</u>

Note 19. Deferred Inflows of Resources

The City reports the following deferred inflows of resources balances in the governmental funds as of December 31, 2012:

<u>Deferred inflows of resources:</u>	<u>Taxes</u>	<u>Direct Financing Lease</u>	<u>Assessments</u>	<u>Intergovernmental</u>	<u>Total</u>
General	\$ 2,944,125	\$ 229,041	\$ -	\$ 28,697	\$ 3,201,863
CEDIT	626,310	-	-	500	626,810
Parks	526,988	-	-	-	526,988
Fire	1,667,610	-	-	-	1,667,610
Redevelopment	23,354	-	-	-	23,354
Other Non-major Governmental	<u>338</u>	-	<u>556,670</u>	<u>482,465</u>	<u>1,039,473</u>
Total	<u>\$ 5,788,725</u>	<u>\$ 229,041</u>	<u>\$ 556,670</u>	<u>\$ 511,662</u>	<u>\$ 7,086,098</u>

Note 20. Fund Balance Classification

The City's governmental fund balances as of 12/31/2012 are classified as below:

	General	Highways and Streets	CEDIT	Parks	Fire	Redevelopment	Community Legacy	Non-major Governmental Funds	Totals
<u>Nonspendable fund balance</u>									
Urban redevelopment and housing:									
Assets held for resale	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,615,418	\$ -	\$ 4,960,007	\$ 16,575,425
<u>Restricted fund balance</u>									
General government	-	-	-	-	-	-	-	198,265	198,265
Public safety	-	-	-	-	-	-	-	542,444	542,444
Highways and streets	-	-	-	-	-	-	-	124,261	124,261
Health and welfare	-	-	-	-	-	-	-	827,195	827,195
Economic opportunity	-	-	-	-	-	-	-	276,544	276,544
Economic development	-	-	-	-	-	-	-	98,755	98,755
Urban redevelopment and housing	-	-	-	-	-	-	-	6,272,582	6,272,582
Total restricted fund balance	-	-	-	-	-	-	-	8,340,046	8,340,046
<u>Committed fund balance</u>									
General government:									
City-County permit system implementation	51,151	-	-	-	-	-	-	-	51,151
Telephone system upgrade	148,647	-	-	-	-	-	-	-	148,647
Betterments	5,825	-	-	-	-	-	-	-	5,825
Neighborhood improvements	-	-	-	-	-	-	-	113,594	113,594
Other	67,638	-	-	-	-	-	-	-	67,638
Public safety:									
800mhz radio system upgrade	-	-	3,138,057	-	-	-	-	-	3,138,057
Highways and streets:									
Street and road infrastructure	-	-	134,846	-	-	-	-	-	134,846
Economic development	-	-	3,575	-	-	-	-	-	3,575
Culture and recreation:									
Emerald ash borer tree removal	-	-	-	1,182,135	-	-	-	-	1,182,135
Parks property maintenance and operation	-	-	-	68,264	-	-	-	-	68,264
Urban redevelopment and housing:									
Tax increment financing districts	-	-	-	-	-	300,982	-	-	300,982
Harrison square stadium entrance	-	-	-	-	-	827,586	-	-	827,586
Total committed fund balance	273,261	-	3,276,478	1,250,399	-	1,128,568	-	113,594	6,042,300
<u>Assigned fund balance</u>									
General government:									
City-County permit system implementation	90,422	-	-	-	-	-	-	-	90,422
Project management	31,632	-	-	-	-	-	-	-	31,632
Betterments	109,122	-	-	-	-	-	-	-	109,122
Vehicle and equipment replacements	-	-	-	-	-	-	-	1,059,590	1,059,590
Technology upgrades	-	-	-	-	-	-	-	589,348	589,348
Neighborhood improvements	-	-	-	-	-	-	-	2,109,263	2,109,263
Debt reserves	-	-	-	-	-	-	-	3,560,813	3,560,813
Rainy day funds	-	-	-	-	-	-	-	2,091,273	2,091,273
Other	120,163	-	-	-	-	-	-	780,756	900,919
Public safety:									
Law enforcement training	-	-	-	-	-	-	-	1,236,108	1,236,108
Code enforcement	-	-	-	-	-	-	-	2,389,324	2,389,324
City-County communications operations	-	-	-	-	-	-	-	854,155	854,155
Other	61,007	-	-	-	1,017,328	-	-	322,295	1,400,630
Highways and streets:									
Street and road infrastructure	-	-	4,042,083	-	-	-	-	-	4,042,083
Debt reserves	-	-	2,082,484	-	-	-	-	-	2,082,484
Operations	26,622	3,910,266	-	-	-	-	-	-	3,936,888
Health and welfare	9,771	-	-	-	-	-	-	-	9,771
Economic development:									
Community legacy transformation projects	-	-	-	-	-	-	66,919,215	-	66,919,215
Strategic, marketing and incentive funds	-	-	2,123,274	-	-	-	-	-	2,123,274
Other	7,060	-	-	-	-	-	-	25,327	32,387
Culture and recreation:									
Urban forestry consulting	-	-	-	46,825	-	-	-	-	46,825
Parks property maintenance and operation	-	-	-	5,396,158	-	-	-	-	5,396,158
Urban redevelopment and housing:									
Tax increment financing districts	-	-	-	-	-	19,745,787	-	-	19,745,787
Harrison square stadium maintenance	-	-	-	-	-	928,214	-	-	928,214
Harrison square parking garage operations	-	-	-	-	-	20,922	-	-	20,922
Debt service	-	-	-	-	-	7,170,706	-	-	7,170,706
Other	-	-	-	-	-	2,706,380	-	53,474	2,759,854
Total assigned fund balance	455,799	3,910,266	8,247,841	5,442,983	1,017,328	30,572,009	66,919,215	15,071,726	131,637,167
<u>Unassigned fund balance</u>	7,513,607	-	-	-	-	-	-	(1,739,052)	5,774,555
Total fund balance	\$ 8,242,667	\$ 3,910,266	\$ 11,524,319	\$ 6,693,382	\$ 1,017,328	\$ 43,315,995	\$ 66,919,215	\$ 26,746,321	\$ 168,369,493

## Note 21. Redevelopment Authority

### Grand Wayne Center Expansion Project

The Redevelopment Authority (RA) was established by the Fort Wayne Redevelopment Commission (a department of the City of Fort Wayne) and by Ordinance of the Common Council. The Mayor appoints the board members of the RA. The financial transactions of the Redevelopment Commission are accounted for in a major fund titled Redevelopment Fund on the financial statements. The Redevelopment Authority (a discretely presented component unit of the City of Fort Wayne) was established to account for the financing and expansion of the Grand Wayne Center (GWC). The GWC is a convention center owned and managed by the Allen County Fort Wayne Capital Improvement Board of Managers (CIB) (a discretely presented component unit of the City of Fort Wayne). The City of Fort Wayne does not directly benefit from the expansion, but the expansion is an integral part of the revitalization of the City of Fort Wayne's downtown.

The CIB titled the GWC to the Redevelopment Authority so the lease rental revenue bonds sold by the RA would have a secured interest. For legal reasons, the Redevelopment Commission leases the GWC from the RA. The Redevelopment Commission subleases the GWC to the CIB. The CIB makes lease payments to the Redevelopment Commission. The Redevelopment Commission makes lease payments to the Redevelopment Authority. The Redevelopment Authority uses these payments to retire the lease rental revenue bonds they issued to finance the renovation and expansion.

The CIB will report on their financial statements a Capital lease payable, which is the net present value of the lease payable at December 31, 2012. The Redevelopment Authority will report on their financial statements Lease rental revenue bonds payable, which is the net amount of the lease rental revenue bonds and bond premium due at December 31, 2012.

The CIB exclusively will manage and maintain the GWC. When the lease rental bonds are retired in 2028 or sooner, the RA will transfer title of the GWC to the CIB.

### Harrison Square Project

The RA was also chosen to be the financing entity for financing the multi-use stadium, public park and parking garage components of the Harrison Square Project (HS). The Redevelopment Commission (RC) transferred title to the HS real estate to the RA. RA issued taxable and tax-exempt lease rental revenue bonds secured by a lease of HS to the RC. The RC will make lease payments to the RA from the Jefferson Point Tax Incremental Financing Project and CREDIT funds, and the Downtown Fort Wayne Community Revitalization Enhancement District (CRED). The RA will use these payments to retire the lease rental revenue bonds. The RC has entered into a Stadium License Agreement and Stadium Management Agreement with Hardball Capital (a private entity) to operate and manage the multi-use stadium. Light & Breuning operate and manage the parking garage. Revenues from these sources will be used to pay on-going expenses and capital improvements. When the lease rental revenue bonds are retired, the RA will transfer title of the HS real estate to the RC.

## Note 22. Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

### Consent Decree:

The Utilities' combined storm and sanitary sewer system does not comply with federal Clean Water regulations. After several years of negotiations with the Environmental Protection Agency (EPA) and Indiana Department of Environmental Management (IDEM), the EPA lodged a Consent Decree with the federal court on December 28, 2007. The Consent Decree became effective April 1, 2008. Under the terms and conditions of the Consent Decree, the Utilities committed to reduce the number of combined sewer overflow (CSO) days in a typical year to one day on the St. Joseph River and four days on the St. Mary's and Maumee Rivers. The infrastructure cost to reduce the number of CSO events is approximately \$240 million, to be spent over 18 years, concluding in 2025. The Utilities also agreed to eliminate three known sanitary sewer overflows at an estimated combined cost of \$31 million by specific dates noted in the Consent Decree. Additionally, the Utilities committed to maintain the entire sewer system to performance standards prescribed in the Utilities' Long-Term Control Plan incorporated by reference into the Consent Decree. The Consent Decree further provides for stipulated penalties for failure to achieve specified construction milestones, reporting deadlines or maintenance objectives. The Utilities are in full compliance with the Consent Decree's terms and conditions.

### Condemnation of Aqua Indiana's North Assets:

In June, 2002, the Utilities initiated condemnation of Aqua Indiana's North Assets. On February 12, 2008, the Utilities paid Aqua Indiana \$16,910,500 and took possession of those condemned assets. The acquisition was financed by Waterworks Utility Revenue Bond Anticipation Notes, Series 2007 (BAN) issued February 5, 2008 for \$17,840,000, including the purchase price and estimated issuance and integration costs. The BAN was subsequently refinanced four times and retired with proceeds from the 2012 Waterworks Revenue Bonds. The North Assets are now fully integrated with the Utilities' water and sewer systems and generating revenues for the respective Utilities at standard system-wide tariffs.

The purchase price was established through condemnation proceedings by Fort Wayne Board of Public Works and is currently being contested by Aqua Indiana in Wells County Circuit Court. At this time, the Utilities are unable to form a conclusion as to whether the assertion of further action by Aqua Indiana is either probable or remote, nor as to the amount of damages if assessed, nor to the possible costs of the corrective action, if any.

### Note 23. Subsequent Events

On April 9, 2013, the Common Council of Fort Wayne approved the lease of vehicles and equipment in the amount of \$6,100,000.

On May 14, 2013, the Common Council of Fort Wayne approved a change in water rates to be effective January 1, 2014. The new rates were developed based on a cost of service study and are not intended to generate additional revenue but rather more accurately charge the appropriate class of customer for water services. Most significantly, the City of Fort Wayne will no longer pay for public fire protection services and, instead, all water customers will pay for public fire protection based on the size of their water meter. Indiana Utility Regulatory Commission must also approve the rates before the rates can become effective.

On March 13, 2013, the Wastewater Utility issued a bond for \$32,955,000. The average interest rate is 1.95%. It matures serially in amounts ranging from \$600,000 in 2013 to \$4,060,000 in 2024.

On March 13, 2013, the Wastewater Utility issued a bond for \$42,260,000. The average interest rate is 3.54%. It matures serially in amounts ranging from \$4,165,000 in 2025 to \$5,295,000 in 2033.

On March 13, 2013, the Wastewater Utility issued \$7,335,000 in refunding revenue bonds with an average interest rate of 1.00% to advance refund \$7,985,000 of outstanding 2002C series bonds with an interest rate range from 1.30% to 4.55% and 2003 series bonds with an interest rate range from 2.00% to 3.80%. The 2013 refunding bonds mature serially in amounts ranging from \$500,000 in 2013 to \$1,390,000 in 2018.

Major Contracts Awarded subsequent to December 31, 2012:

<u>Vendor Name</u>	<u>Project Description</u>	<u>Award Amount</u>
Kokosing Construction Company, Inc.	Primary Secondary Treatment and Digester Process Upgrades Project	\$ 27,623,955
Arcadis US Inc.	Primary Secondary Treatment and Digester Process Upgrades Project	911,500
Donohue & Associates	Primary Secondary Treatment and Digester Process Upgrades Project	573,500
Black & Veatch Corporation	Primary Secondary Treatment and Digester Process Upgrades Project	560,688
Symbiont Science Eng & Constr Inc.	Primary Secondary Treatment and Digester Process Upgrades Project	248,334
Wessler Engineering Inc.	Primary Secondary Treatment and Digester Process Upgrades Project	287,866
DLZ Indiana LLC	Primary Secondary Treatment and Digester Process Upgrades Project	621,520
American StructurePoint Inc.	Primary Secondary Treatment and Digester Process Upgrades Project	97,730
CH2M Hill Inc.	Primary Secondary Treatment and Digester Process Upgrades Project	2,183,184
Bowen Engineering Corp.	Primary Secondary Treatment and Digester Process Upgrades Project	25,000
Walsh Construction Company	Effluent Pump Station and Pond Improvements	11,656,000
GAI Consultants	Preliminary Engineering for Dupont Road Project	1,247,380
	Total Major Contracts	<u>\$ 46,036,657</u>

Note 24. Net Investment in Capital Assets

As of December 31, 2012, Net Investment in capital assets is calculated as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net capital assets	\$ 737,505,684	\$ 708,770,474	\$ 1,446,276,158
Less:			
Total capital leases payable	(56,431,731)	(2,163,782)	(58,595,513)
Total notes and loans payable	(7,861,460)	(134,950,754)	(142,812,214)
Total general obligation bonds payable, net	(2,139,021)	-	(2,139,021)
Total special obligation bonds payable, net	(53,765,394)	-	(53,765,394)
Total first mortgage bonds payable, net	(34,140,940)	-	(34,140,940)
Total revenue bonds payable, net	-	(210,151,059)	(210,151,059)
Add:			
Debt not related to capital assets	7,861,460	-	7,861,460
Unspent bond/loan proceeds	8,634,938	66,948,875	75,583,813
Net Investment in capital assets	<u>\$ 599,663,536</u>	<u>\$ 428,453,754</u>	<u>\$ 1,028,117,290</u>

Note 25. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

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

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

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

Funding Policy

PERF members are required to contribute 3 percent of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 10.0 percent of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by the INPRS Board of Trustees. The Net Pension Obligation (NPO) is considered an asset (negative NPO) and/or liability (positive NPO) of the City and is reflected as such in the Statement of Net Position. The amount is separated between the governmental and business-type activities.

Annual Pension Cost

For 2012, the City's annual pension cost of \$5,921,176 for PERF was equal to the City's required contribution and any adjustments to the required contribution.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established and may be amended by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

### Funding Policy

Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to six percent (6%) of the salary of a first class patrolman. The contribution requirements of plan members are established and may be amended by state statute. The State of Indiana has contributed \$7,788,149 in 2012 on behalf of the City. On behalf contributions from the State of Indiana approximates the amount paid out for benefits. The Net Pension Obligation (NPO) is considered an obligation of the City and is reflected as such in the Statement of Net Position.

### Annual Pension Cost

For 2012, the City's annual pension cost of \$7,552,800 for the 1925 Police Officer's Pension Plan was equal to the City's required contribution and any adjustments to the required contribution.

## c. 1937 Firefighters' Pension Plan

### Plan Description

The City contributes to the 1937 Firefighters' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established and may be amended by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

### Funding Policy

Plan members are required by state statute (IC 36-8-7-8) to contribute an amount equal to six percent (6%) of the salary of a fully paid first class firefighter. The contribution requirements of plan members are established and may be amended by state statute. The State of Indiana has contributed \$7,094,662 in 2012 on behalf of the City. On behalf contributions from the State of Indiana approximates the amount paid out for benefits. The Net Pension Obligation (NPO) is considered an obligation of the City and is reflected as such in the Statement of Net Position.

### Annual Pension Cost

For 2012, the City's annual pension cost of \$6,295,200 for the 1937 Firefighters' Pension Plan was equal to the City's required contribution and any adjustments to the required contribution.

## d. Sanitary Officers' Pension Plan

### Plan Description

The City contributes to the Sanitary Officers' Pension Plan which is a single-employer defined benefit pension plan. The plan includes all sanitary officers hired before April 1, 1982. The plan is administered by the local pension board. The City contributes to the plan because of a mandate by the Allen County Circuit Court, Cause No. CC-73-519. The plan members are employees of Allen County. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

### Funding Policy

The City is required to contribute an amount equal to the funding deficit of the difference between receipts of the fund and the required disbursements of the fund (pay-as-you-go basis); the amount contributed for 2012 is \$405,925. The contribution requirements of plan members for the Sanitary Officers' Pension Plan are established and may be amended by state statute. The Net Pension Obligation (NPO) is considered an obligation of the City and is reflected in the Statement of Net Position.

### Annual Pension Cost

For 2012, the City's annual pension cost of \$413,304 for the Sanitary Officers' Pension Plan was equal to the City's required contribution and any adjustments to the required contribution.

### e. Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
Annual required contribution	\$ 5,937,662	\$ 8,635,800	\$ 7,102,600	\$ 483,454
Interest on NPO	109,003	3,053,800	2,276,600	252,371
Adjustment to annual required contribution	<u>(125,489)</u>	<u>(4,136,800)</u>	<u>(3,084,000)</u>	<u>(322,521)</u>
Annual pension cost	5,921,176	7,552,800	6,295,200	413,304
Contributions made	<u>4,707,386</u>	<u>7,788,149</u>	<u>7,094,662</u>	<u>405,925</u>
Increase(decrease) in NPO	1,213,790	(235,349)	(799,462)	7,379
NPO, beginning of year	<u>1,557,193</u>	<u>50,896,178</u>	<u>37,943,703</u>	<u>4,206,188</u>
NPO, end of year	<u>\$ 2,770,983</u>	<u>\$ 50,660,829</u>	<u>\$ 37,144,241</u>	<u>\$ 4,213,567</u>

The Net Pension Obligation reported in the Statement of Net Position is \$94,789,620 (PERF, governmental activities, \$2,152,662; 1925 Police Officers' Pension, \$50,660,829; 1937 Firefighters' Pension, \$37,144,241; Sanitary Officers' Pension, \$4,213,567; PERF, business-type activities, \$618,321).

Contribution rates:	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
City	10.0%	0%	0%	N/A
Plan members	3%	6%	6%	3%
	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
Actuarial valuation date	07/01/12	01/01/12	01/01/12	01/01/13
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years	30 years	30 years
Amortization period (from date)	07/01/12	01/01/05	01/01/05	01/01/05
Asset valuation method	4-year smoothing of gains/losses on market value with a 20% corridor	4 year phase in of realized and unrealized capital	4 year phase in of realized and unrealized capital	4 year phase in of realized and unrealized capital
Actuarial assumptions:	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
Investment rate of return	6.75%	6%	6%	6%
Projected future salary increases:				
Total	3.25% - 4.5%	3.25%	3.25%	4%
Cost-of-living adjustments	1.0%	* 2.25% / 3.25%	* 2.25% / 3.25%	4%

\* 2.25% converted members; 3.25% non-converted members

Three Year Trend Information

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PERF

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 4,418,188	81%	\$ (71,610)
6/30/2011	5,565,855	71%	1,557,193
6/30/2012	5,921,176	80%	2,770,983

1925 Police Officers' Pension Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 8,093,400	93%	\$ 50,710,362
12/31/2011	8,558,700	98%	50,896,178
12/31/2012	7,552,800	103%	50,660,829

1937 Firefighters' Pension Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 6,988,600	100%	\$ 38,121,961
12/31/2011	7,251,500	102%	37,943,703
12/31/2012	6,295,200	89%	37,144,241

Sanitary Officers' Pension Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2010	\$ 501,106	100%	\$ 4,206,188
12/31/2011	510,146	100%	4,206,188
12/31/2012	413,304	86%	4,213,567

Plan Membership

Group	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
Retirees and beneficiaries currently receiving benefits	307	268	18
Active employees - vested	9	1	0
Active employees - nonvested	0	0	0

Funded Status and Funding Progress for the Above Plans

The funded status of each plan as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
<u>Public Employees' Retirement Fund:</u>						
07/01/12	\$34,983,164	\$ 80,179,534	\$ (45,196,370)	44%	\$53,405,261	(85%)
<u>1925 Police Officers' Pension Plan:</u>						
01/01/12	\$ 1,853,026	\$105,130,000	\$(103,276,974)	2%	\$ 353,300	(29,232%)
<u>1937 Firefighters' Pension Plan:</u>						
01/01/12	\$ 824,984	\$ 87,227,900	\$ (86,402,916)	1%	\$ 52,200	(165,523)%
<u>Sanitary Officers' Pension:</u>						
12/31/12	\$ 152,335	\$ 8,932,147	\$ (8,779,812)	2%	\$ -	N/A

The schedule of funding progress, presented as RSI for the above plans following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

f. Financial Statements for Defined Benefit Plans

**Statement of Net Position -  
Pension Trust Funds:**

	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
<u>Assets</u>			
Cash and cash equivalents	\$ 1,058,586	\$ 650,670	\$ 134,058
Receivables:			
Taxes	-	-	18,277
Total assets	1,058,586	650,670	152,335
<u>Liabilities</u>			
Accounts payable	24,564	14,861	1,272
<u>Net position</u>			
Net position held in trust for:			
Employees' pension benefits	\$ 1,034,022	\$ 635,809	\$ 151,063

**Statement of Changes in Net Position -  
Pension Trust Funds:**

	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
<u>Additions</u>			
Contributions:			
Employer	\$ 7,788,148	\$ 7,094,662	\$ 405,925
Plan members	125	-	-
Other	10,986	-	-
Net investment income	1,394	838	211
Total additions	7,800,653	7,095,500	406,136
<u>Deductions</u>			
Benefits and refunds paid to plan members and beneficiaries	8,603,645	7,262,880	465,922
Administrative expenses	16,012	21,795	4,378
Total deductions	8,619,657	7,284,675	470,300
Change in net position	(819,004)	(189,175)	(64,164)
Net position - beginning	1,853,026	824,984	215,227
Net position - ending	\$ 1,034,022	\$ 635,809	\$ 151,063

## 2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

### 1977 Police Officers' and Firefighters' Pension and Disability Fund

#### Plan Description

The City contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age fifty-five with twenty years of service. An employee with twenty years of service may leave service, but will not receive benefits until reaching age fifty-five. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

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

#### Funding Policy and Annual Pension Costs

Plan members are required to contribute 6 percent of the first class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate is 19.7 percent of the first class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established and may be amended by the INPRS Board of Trustees. The City's contributions to the plan for the years ending December 31, 2012, 2011, and 2010 were \$7,842,280, \$7,636,640, and \$7,665,752 respectively, which were equal to the required contributions for each year.

# REQUIRED SUPPLEMENTARY INFORMATION



CITY OF FORT WAYNE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 For The Year Ended December 31, 2012

	General Fund			
	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 61,602,575	\$ 61,602,575	\$ 65,142,116	\$ 3,539,541
Licenses and permits	2,166,600	2,166,600	2,140,196	(26,404)
Intergovernmental	9,342,821	9,342,821	2,332,692	(7,010,129)
Charges for services	2,825,315	2,825,315	2,512,974	(312,341)
Fines and forfeits	557,200	557,200	546,528	(10,672)
Other	445,955	445,955	687,792	241,837
Total revenues	<u>76,940,466</u>	<u>76,940,466</u>	<u>73,362,298</u>	<u>(3,578,168)</u>
Expenditures:				
Current:				
General government	16,655,052	16,545,967	16,391,673	154,294
Public safety	53,104,252	55,023,245	54,905,499	117,746
Highways and streets	5,704,252	9,289,629	9,102,600	187,029
Health and welfare	2,602,680	2,592,909	2,614,229	(21,320)
Economic opportunity	661,123	661,123	636,462	24,661
Economic development	4,328,723	4,301,663	4,147,209	154,454
Total expenditures	<u>83,056,082</u>	<u>88,414,536</u>	<u>87,797,672</u>	<u>616,864</u>
Other financing sources (uses):				
Operating transfers in	75,000	75,000	7,140,064	7,065,064
Operating transfers out	<u>(3,355,130)</u>	<u>(3,355,130)</u>	<u>(3,346,134)</u>	<u>8,996</u>
Total other financing sources (uses)	<u>(3,280,130)</u>	<u>(3,280,130)</u>	<u>3,793,930</u>	<u>7,074,060</u>
Net change in fund balance	(9,395,746)	(14,754,200)	(10,641,444)	4,112,756
Fund balance - beginning	<u>15,650,024</u>	<u>9,948,717</u>	<u>18,884,111</u>	<u>8,935,394</u>
Fund balance - ending	<u>\$ 6,254,278</u>	<u>\$ (4,805,483)</u>	<u>\$ 8,242,667</u>	<u>\$ 13,048,150</u>

The notes to RSI are an integral part of RSI.

CITY OF FORT WAYNE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULES  
 MAJOR SPECIAL REVENUE FUNDS  
 For The Year Ended December 31, 2012

	Highways and Streets				Parks			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ 4,104,798	\$ 4,104,798	\$ 4,566,893	\$ 462,095	\$ 12,007,642	\$ 12,007,642	\$ 12,217,081	\$ 209,439
Licenses and permits	-	-	-	-	71,572	71,572	50,286	(21,286)
Intergovernmental	9,225,305	9,225,305	9,412,931	187,626	-	-	-	-
Charges for services	796,587	796,587	1,022,704	226,117	3,443,607	3,443,607	3,288,170	(155,437)
Fines and forfeits	-	-	-	-	-	-	-	-
Other	72,000	72,000	110,535	38,535	951,895	951,895	924,342	(27,553)
<b>Total revenues</b>	<b>14,198,690</b>	<b>14,198,690</b>	<b>15,113,063</b>	<b>914,373</b>	<b>16,474,716</b>	<b>16,474,716</b>	<b>16,479,879</b>	<b>5,163</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	-	-	-	-	-	-	-	-
Public safety:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Highways and streets:								
Personal services	10,052,915	9,971,615	9,912,879	58,736	-	-	-	-
Supplies	2,274,312	2,233,023	2,177,057	55,966	-	-	-	-
Other services and charges	3,853,475	3,894,075	3,855,525	38,550	-	-	-	-
Capital outlay	33,000	113,000	112,478	522	-	-	-	-
Culture and recreation:								
Personal services	-	-	-	-	9,482,632	9,449,732	9,317,914	131,818
Supplies	-	-	-	-	1,473,044	1,456,991	1,430,370	26,621
Other services and charges	-	-	-	-	5,804,293	5,463,548	5,467,038	(3,490)
Capital outlay	-	-	-	-	401,265	401,265	401,265	-
<b>Total expenditures</b>	<b>16,213,702</b>	<b>16,211,713</b>	<b>16,057,939</b>	<b>153,774</b>	<b>17,161,234</b>	<b>16,771,536</b>	<b>16,616,587</b>	<b>154,949</b>
<b>Other financing sources (uses):</b>								
Operating transfers in	1,566,040	1,566,040	1,566,040	-	1,874,000	1,874,000	1,874,239	239
Operating transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,566,040</b>	<b>1,566,040</b>	<b>1,566,040</b>	<b>-</b>	<b>1,874,000</b>	<b>1,874,000</b>	<b>1,874,239</b>	<b>239</b>
<b>Net change in fund balances</b>	<b>(448,972)</b>	<b>(446,983)</b>	<b>621,164</b>	<b>1,068,147</b>	<b>1,187,482</b>	<b>1,577,180</b>	<b>1,737,531</b>	<b>160,351</b>
<b>Fund balances - beginning</b>	<b>3,289,102</b>	<b>3,289,102</b>	<b>3,289,102</b>	<b>-</b>	<b>4,955,851</b>	<b>4,955,851</b>	<b>4,955,851</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 2,840,130</b>	<b>\$ 2,842,119</b>	<b>\$ 3,910,266</b>	<b>\$ 1,068,147</b>	<b>\$ 6,143,333</b>	<b>\$ 6,533,031</b>	<b>\$ 6,693,382</b>	<b>\$ 160,351</b>

The notes to RSI are an integral part of RSI.

CITY OF FORT WAYNE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULES  
 MAJOR SPECIAL REVENUE FUNDS  
 For The Year Ended December 31, 2012

	Fire				Community Legacy			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Taxes	\$ 36,290,049	\$ 36,290,049	\$ 36,749,800	\$ 459,751	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	8,167	8,167	18,104	9,937	-	-	-	-
Fines and forfeits	6,100	6,100	11,882	5,782	-	-	-	-
Other	2,050	2,050	46,651	44,601	-	5,740,743	5,740,743	-
<b>Total revenues</b>	<b>36,306,366</b>	<b>36,306,366</b>	<b>36,826,437</b>	<b>520,071</b>	<b>-</b>	<b>5,740,743</b>	<b>5,740,743</b>	<b>-</b>
<b>Expenditures:</b>								
<b>Current:</b>								
General government	-	-	-	-	190,228	190,228	190,228	-
Public safety:								
Personal services	32,746,316	32,957,832	32,714,643	243,189	-	-	-	-
Supplies	563,816	561,513	561,513	-	-	-	-	-
Other services and charges	1,843,959	1,810,425	1,863,523	(53,098)	-	-	-	-
Capital outlay	219,985	214,181	205,945	8,236	-	-	-	-
Highways and streets:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Culture and recreation:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>35,374,076</b>	<b>35,543,951</b>	<b>35,345,624</b>	<b>198,327</b>	<b>190,228</b>	<b>190,228</b>	<b>190,228</b>	<b>-</b>
<b>Other financing sources (uses):</b>								
Operating transfers in	-	-	-	-	61,368,700	61,368,700	61,368,700	-
Operating transfers out	(225,000)	(225,000)	(160,000)	65,000	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(225,000)</b>	<b>(225,000)</b>	<b>(160,000)</b>	<b>65,000</b>	<b>61,368,700</b>	<b>61,368,700</b>	<b>61,368,700</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>707,290</b>	<b>537,415</b>	<b>1,320,813</b>	<b>783,398</b>	<b>61,178,472</b>	<b>66,919,215</b>	<b>66,919,215</b>	<b>-</b>
<b>Fund balances - beginning</b>	<b>(303,485)</b>	<b>(303,485)</b>	<b>(303,485)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 403,805</b>	<b>\$ 233,930</b>	<b>\$ 1,017,328</b>	<b>\$ 783,398</b>	<b>\$ 61,178,472</b>	<b>\$ 66,919,215</b>	<b>\$ 66,919,215</b>	<b>\$ -</b>

The notes to RSI are an integral part of RSI.

CITY OF FORT WAYNE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 INFRASTRUCTURE – MODIFIED REPORTING

Comparison of Budgeted-to-Actual Maintenance/Preservation:

Roads	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Arterial					
Budgeted	\$1,239,501	\$1,792,620	\$ 813,357	\$1,226,031	\$ 601,763
Actual	1,439,999	1,858,338	802,329	1,212,866	578,867
Collector					
Budgeted	120,235	361,852	33,520	71,805	205,778
Actual	116,519	359,134	33,520	71,483	200,535
Residential					
Budgeted	3,223,858	4,628,500	5,555,060	3,454,780	2,205,555
Actual	2,935,413	4,103,939	4,995,008	2,826,059	2,120,871

Condition Rating:

	<u>Average Pavement Condition Index (PCI)</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total System	65	67	69	71	72

The notes to RSI are an integral part of RSI.

CITY OF FORT WAYNE  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
<u>Public Employees' Retirement Fund:</u>						
07/01/10	\$ 44,954,928	\$ 76,910,447	\$ (31,955,519)	58%	\$ 48,812,249	(65%)
07/01/11	37,558,428	75,763,765	(38,205,337)	50%	50,631,326	(75%)
07/01/12	34,983,164	80,179,534	(45,196,370)	44%	53,405,261	(85%)
<u>1925 Police Officers' Pension Plan:</u>						
01/01/07	\$ 2,438,810	\$ 118,066,100	\$ (115,627,290)	2%	\$ 1,092,900	(10,580%)
01/01/08	2,328,975	117,242,800	(114,913,825)	2%	879,900	(13,060%)
01/01/09	3,600,861	115,100,200	(111,499,339)	3%	747,900	(14,908%)
01/01/10	2,593,260	116,137,100	(113,543,840)	2%	782,100	(14,518%)
01/01/11	1,439,838	117,915,700	(116,475,862)	1%	508,400	(22,910%)
01/01/12	1,853,026	105,130,000	(103,276,974)	2%	353,300	(29,232%)
<u>1937 Firefighters' Pension Plan:</u>						
01/01/07	\$ 1,061,740	\$ 107,704,100	\$ (106,642,360)	1%	\$ 376,500	(28,325%)
01/01/08	2,638,000	95,665,200	(93,027,200)	3%	195,600	(47,560%)
01/01/09	1,420,305	108,739,500	(107,319,195)	1%	136,900	(78,392%)
01/01/10	1,771,481	99,673,900	(97,902,419)	2%	50,100	(195,414%)
01/01/11	733,811	100,224,400	(99,490,589)	1%	52,100	(190,961%)
01/01/12	824,984	87,227,900	(86,402,916)	1%	52,200	(165,523%)
<u>Sanitary Officers' Pension:</u>						
01/01/08	\$ 250,445	\$ 7,435,892	\$ (7,185,447)	3%	\$ 48,884	(14,699%)
01/01/09	177,366	7,352,396	(7,175,030)	2%	48,884	(14,678%)
01/01/10	99,950	6,516,098	(6,416,148)	2%	24,442	(26,251%)
01/01/11	144,131	6,337,004	(6,192,873)	2%	-	N/A
01/01/12	215,227	6,121,362	(5,906,135)	4%	-	N/A
01/01/13	152,335	8,932,147	(8,779,812)	2%	-	N/A
<u>Retiree Healthcare Plan</u>						
01/01/10	\$ -	\$ 61,655,879	\$ (61,655,879)	0%	\$96,504,844	(64%)
01/01/11	-	65,779,025	(65,779,025)	0%	98,205,421	(67%)
01/01/12	-	75,828,671	(75,828,671)	0%	99,760,520	(76%)

N/A - Not applicable

The notes to RSI are an integral part of RSI.

CITY OF FORT WAYNE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF CONTRIBUTIONS FROM THE  
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

1925 Police Officers' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12/31/07	\$ 8,837,200	54%	51%
12/31/08	8,833,600	23%	53%
12/31/09	8,601,200	1%	94%
12/31/10	9,009,000	0%	90%
12/31/11	9,556,800	0%	88%
12/31/12	8,635,800	0%	90%

1937 Firefighters' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12/31/07	\$ 7,909,100	61%	53%
12/31/08	7,088,200	31%	58%
12/31/09	8,125,800	2%	98%
12/31/10	7,587,100	0%	92%
12/31/11	8,001,800	0%	93%
12/31/12	7,102,600	0%	100%

Sanitary Officers' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
		City
12/31/07	\$ 546,754	83%
12/31/08	533,232	80%
12/31/09	480,888	95%
12/31/10	476,345	105%
12/31/11	483,454	106%
12/31/12	483,454	84%

The notes to RSI are an integral part of RSI.

CITY OF FORT WAYNE, INDIANA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2012

Note 1. Budgets and Budgetary Accounting

- A. The City follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:
1. The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
  2. Prior to adoption, the City advertises the budget and the City Council holds public hearings to obtain taxpayer comments.
  3. In October of each year the budget is approved by the City Council 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 City Controller 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 City's expenditures budget. The City'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 City.
  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 General fund, which is by object classification within each department. The City's management cannot transfer budgeted appropriations between object classifications of a budget, without approval of the City Council. Any revisions that alter the total appropriations for any fund or any department of the General fund must be approved by the City Council and, in some instances, by the Indiana Department of Local Government Finance.
  6. Formal budgetary integration is required by State statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

Major Funds:

General Fund

Special Revenue Funds:

Highways and Streets, Parks, Fire, Community Legacy

Capital Projects Funds:

CEDIT, Redevelopment

Non-Major Funds:

Special Revenue Funds:

Parking Meter, Law Enforcement Training, Cable Television,  
Unsafe Building, Domestic Violence, Rainy Day

Capital Projects Funds:

Cumulative Capital Improvement

7. The City's budgetary process is based upon GAAP. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order or contract. Encumbered appropriations are carried over and added to the subsequent year's budget.
8. Budgeted amounts are as originally adopted, or as amended by the City Council and approved by the Indiana Department of Local Government Finance in the regular legal manner. Net increases to the original appropriations totaled \$9,162,009 in 2012.

B. Expenditures in Excess of Appropriations

For the year ended December 31, 2012, expenditures exceeded budgeted appropriations at the legal level of control (object classification for all funds except the General Fund, which is by object classification within each department) in the following funds, by the amounts below:

<u>Fund</u>	<u>Department</u>	<u>Object</u>	<u>Excess</u>
General	Finance & Administration	Supplies	\$ 14,191
General	Board of Works	Personal services	16,824
General	Board of Works	Other services and charges	4,234
General	Police	Supplies	11,482
General	Animal Control	Personal services	25,793
Fire	Fire	Other services and charges	53,098
Parks & Recreation		Other services and charges	3,490
Parking Meter		Personal services	4,689
Domestic Violence		Other services and charges	178
CEDIT		Interest	1,427

Excess of expenditures over appropriations in the above object classifications resulted from failure to obtain approval from the City Council to increase the object classifications. Available fund balances and/or sufficient balances in other object classifications within the fund and department funded the over-expenditures.

Note 2. Infrastructure Assets – Modified Approach

The condition of the City's road pavement is measured using a pavement condition index (PCI). This pavement condition index is only one field of a larger database that takes into account many distress factors found in pavement surfaces. The PCI uses a measured scale that is based upon a condition index ranging from less than 0 or "Very Poor" condition pavement to 100 for "Very Good" condition pavement. No other factors exist that would significantly affect trends in the information reported.

Those condition categories are "Very Good" (100-80), "Good" (79-60), "Fair" (59-40), "Poor" (39-20), and "Very Poor" (19-0). It is the City of Fort Wayne's policy to maintain our road pavement infrastructure at a condition of "Good". Condition reports using a weighted average are compiled on an annual basis to determine the total system's status. The City field assesses one third (1/3) of the total miles each year to keep the information current.

Factors that significantly affect trends in the road maintenance schedule include:

1. Extreme winter weather conditions that result in excessive "freeze-thaw" activity.
2. Extreme summer weather conditions that result in excessive heat. Under extreme heat, asphalt can become soft and buckle. Concrete suffers from a condition known as "blow ups". The ground under the concrete roads and the roads themselves begin to expand during

exceptionally high temperatures. The concrete can find no other way to expand than to “blow up”, or shoot into the air.

3. Conflicts with utilities. Utility work that results in the disruption of a road surface will weaken the original integrity of the structure. More repairs may become necessary once a road’s initial structure has been altered.
4. Extreme loading. Each road is rated for a certain percentage of traffic coming from trucks. When the percentage exceeds the rating, damage to the road will occur.
5. The presence of water. Excessive water levels from winter thaw, high rains, water pipe breaks, or higher than usual water tables can cause rapid deterioration of roads.

# SUPPLEMENTARY INFORMATION



# Major Governmental Funds

**General Fund** – the general operating fund of the City. Tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures of the City are paid from the General Fund.

Those departments by function that are included in the General Fund are:

**General Government:**

- Mayor
- Finance & Administration
- City Clerk and Council
- Board of Works
- Law
- Internal Audit

**Public Safety:**

- Weights and Measures
- Neighborhood Code Enforcement
- Police Merit Commission
- Police
- Communications

**Highways and Streets:**

- Street Lighting/Flood/Transportation Engineering

**Health and Welfare:**

- Animal Control

**Economic Opportunity:**

- Metropolitan Human Relations

**Economic Development:**

- Community Development

**Special Revenue Funds** – used to account for revenues derived for a specific purpose. The title of the fund is descriptive of the activities involved.

**Highways and Streets** – funds set aside from state gasoline tax distributions and local wheel taxes for the specific purpose of constructing and maintaining local streets and alleys.

**Parks** – to account for the operation of the City park system.

**Fire** – to account for the operation of the Fire District.

**Community Legacy** – to account for financial resources and expenses or projects that are in the public's interest and related to transformational investment in the community.

**Capital Projects Funds** – are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

**CEDIT** – to account for revenues received from the County Economic Development Income Tax (CEDIT) and for construction of projects funded by these revenues.

**Redevelopment** – to account for the redevelopment functions of the City.

CITY OF FORT WAYNE  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -  
GENERAL FUND  
For The Year Ended December 31, 2012

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance-Positive (Negative)</u>
General government:				
Mayor				
Personal services	\$ 1,324,386	\$ 1,363,255	\$ 1,360,711	\$ 2,544
Supplies	8,504	7,304	7,232	72
Other services and charges	40,503	41,703	41,071	632
Finance & Administration				
Personal services	2,886,869	2,866,869	2,753,654	113,215
Supplies	120,483	120,483	134,674	(14,191)
Other services and charges	5,946,962	6,086,075	6,082,560	3,515
Capital outlay	1,131,883	868,290	845,230	23,060
City Clerk and Council				
Personal services	952,690	952,690	940,433	12,257
Supplies	13,300	13,300	12,351	949
Other services and charges	39,038	39,038	26,123	12,915
Board of Works				
Personal services	434,614	427,614	444,438	(16,824)
Supplies	5,776	5,776	3,182	2,594
Other services and charges	2,962,903	2,962,903	2,967,137	(4,234)
Law				
Personal services	408,244	413,363	413,056	307
Supplies	1,599	1,599	1,272	327
Other services and charges	111,457	108,457	93,394	15,063
Internal Audit				
Personal services	257,422	258,829	258,252	577
Supplies	395	395	296	99
Other services and charges	8,024	8,024	6,607	1,417
Total General government	<u>16,655,052</u>	<u>16,545,967</u>	<u>16,391,673</u>	<u>154,294</u>
Public safety:				
Weights and Measures				
Personal services	201,128	201,128	200,792	336
Supplies	5,880	5,880	5,202	678
Other services and charges	16,242	16,242	15,593	649
Police Merit Commission				
Personal services	5,000	5,000	2,500	2,500
Police				
Personal services	44,150,812	45,850,812	45,761,044	89,768
Supplies	1,864,740	1,960,908	1,972,390	(11,482)
Other services and charges	6,792,127	6,891,776	6,885,729	6,047
Capital outlay	68,323	91,499	62,249	29,250
Total Public safety	<u>53,104,252</u>	<u>55,023,245</u>	<u>54,905,499</u>	<u>117,746</u>
Highways and streets:				
Street Lighting/Flood/Transp Engineering				
Personal services	2,621,470	2,582,470	2,558,475	23,995
Supplies	1,122,969	1,102,137	950,938	151,199
Other services and charges	1,939,813	2,902,772	2,892,646	10,126
Capital outlay	20,000	2,702,250	2,700,541	1,709
Total Highways and streets	<u>5,704,252</u>	<u>9,289,629</u>	<u>9,102,600</u>	<u>187,029</u>

(Continued)

CITY OF FORT WAYNE  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -  
 GENERAL FUND  
 For The Year Ended December 31, 2012  
 (Continued)

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Health and welfare:				
Animal Control				
Personal services	2,145,577	2,130,577	2,156,370	(25,793)
Supplies	101,586	115,281	112,757	2,524
Other services and charges	353,917	345,451	343,969	1,482
Capital outlay	1,600	1,600	1,133	467
Total Health and welfare	<u>2,602,680</u>	<u>2,592,909</u>	<u>2,614,229</u>	<u>(21,320)</u>
Economic opportunity:				
Metropolitan Human Relations				
Personal services	632,870	632,870	612,634	20,236
Supplies	5,594	5,594	4,256	1,338
Other services and charges	22,659	22,659	19,572	3,087
Total Economic opportunity	<u>661,123</u>	<u>661,123</u>	<u>636,462</u>	<u>24,661</u>
Economic development:				
Community Development				
Personal services	3,626,673	3,626,673	3,537,492	89,181
Supplies	51,916	51,916	45,549	6,367
Other services and charges	637,594	612,859	555,550	57,309
Capital outlay	12,540	10,215	8,618	1,597
Total Economic development	<u>4,328,723</u>	<u>4,301,663</u>	<u>4,147,209</u>	<u>154,454</u>
Total General Fund	<u>\$ 83,056,082</u>	<u>\$ 88,414,536</u>	<u>\$ 87,797,672</u>	<u>\$ 616,864</u>

CITY OF FORT WAYNE  
 BUDGETARY COMPARISON SCHEDULES  
 OTHER BUDGETED MAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2012

	Redevelopment			CREDIT			Variance Positive (Negative)
	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Actual	
<b>Revenues:</b>							
Taxes	\$ 11,388,605	\$ 11,388,605	\$ 11,385,479	\$ (3,126)	\$ 17,535,408	\$ 22,945,685	\$ 5,410,277
Intergovernmental	-	-	-	-	1,000	1,000	-
Charges for services	513,096	513,096	513,096	-	720	27,291	26,571
Other	1,607,599	1,607,599	1,607,775	176	58,880	17,101	(41,779)
<b>Total revenues</b>	<b>13,509,300</b>	<b>13,509,300</b>	<b>13,506,350</b>	<b>(2,950)</b>	<b>17,596,008</b>	<b>22,991,077</b>	<b>5,395,069</b>
<b>Expenditures:</b>							
Urban redevelopment and housing:							
Personal services	542,894	545,816	543,705	2,111	-	-	-
Supplies	143,594	143,594	143,589	5	-	-	-
Other services and charges	5,765,037	5,765,037	5,758,297	6,740	-	-	-
Capital outlay	1,101,652	1,101,652	1,101,652	-	-	-	-
Debt service:							
Principal	1,950,000	1,950,000	1,950,000	-	7,915,000	7,915,000	-
Interest	2,515,811	2,515,811	2,515,811	-	2,443,765	2,445,192	(1,427)
Capital outlay	1,000,000	1,000,000	1,000,000	-	7,951,316	10,545,687	1,459,541
<b>Total expenditures</b>	<b>13,018,988</b>	<b>13,021,910</b>	<b>13,013,054</b>	<b>8,856</b>	<b>18,310,081</b>	<b>19,446,338</b>	<b>1,458,114</b>
<b>Other financing sources (uses):</b>							
Transfers in	7,012,694	7,012,694	7,012,694	-	2,661,333	3,235,644	574,311
Transfers out	(6,409,781)	(6,409,781)	(6,409,781)	-	(5,754,768)	(8,243,984)	(989,216)
<b>Total other financing sources (uses)</b>	<b>602,913</b>	<b>602,913</b>	<b>602,913</b>	<b>-</b>	<b>(3,093,435)</b>	<b>(5,008,340)</b>	<b>(414,905)</b>
<b>Net change in fund balances</b>	<b>1,093,225</b>	<b>1,090,303</b>	<b>1,096,209</b>	<b>5,906</b>	<b>(3,807,508)</b>	<b>(1,463,601)</b>	<b>6,438,278</b>
<b>Fund balances - beginning</b>	<b>42,219,786</b>	<b>42,219,786</b>	<b>42,219,786</b>	<b>-</b>	<b>12,987,920</b>	<b>12,987,920</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 43,313,011</b>	<b>\$ 43,310,089</b>	<b>\$ 43,315,995</b>	<b>\$ 5,906</b>	<b>\$ 9,180,412</b>	<b>\$ 11,524,319</b>	<b>\$ 6,438,278</b>

## Non-major Governmental Funds

**Special Revenue Funds** – used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The title of the fund is descriptive of the activities involved. The City maintains the following non-major special revenue funds:

**Abandoned Vehicle** – to account for the expenses and revenues associated with the removal, storage, and disposal of abandoned vehicles from both public and private property throughout the city.

**Parking Meter** – to account for revenues and expenses in connection with operating City parking meters.

**Law Enforcement Training** – to account for fees used for the continuing education and training of law enforcement officers.

**Omnibus Crime** – to account for all State grants related to victims assistance or criminal justice.

**Cable Television** – to account for a portion of the cable television franchise fee revenue restricted to expenditures for local cable access programming grants.

**Community Development Block Grants** – to account for funds granted to the City by the U.S. Department of Housing and Urban Development under the Community Development Block Grant entitlement programs.

**Reimbursable State Grants** – to account for funds granted to the City from various State community development and social service programs.

**Unsafe Building** – to account for funds used to remove unsafe and severely deteriorated buildings from residential neighborhoods throughout the City.

**DED International Trade** – to account for revenues and expenditures related to international trade.

**HOME** – to account for funds granted to the City under the U.S. Department of Housing and Urban Development HOME program which are to be used to rehabilitate single and multi-family housing units.

**Affordable Housing Trust** – to account for an allotment of funds from the State's newest legislative tool for housing.

**Federal Revolving** – to account for various federal funds received for specific purposes.

**Urban Development Action Grant** – to account for funds granted to the City by the U.S. Department of Housing and Urban Development for specific categorical grants promoting economic and housing development.

**Urban Enterprise Association** – to account for funds that provide one-third of the Urban Enterprise Association (UEA) administrator's wage and benefit package and all the UEA secretaries' wages and benefit packages, as well as staff support by the City and UEA through a contractual arrangement.

**Emergency Shelter Grant** – to account for funds granted to the City under the U.S. Department of Housing and Urban Development Emergency Shelter Program which are to be used to provide emergency shelter and other services for displaced families and individuals.

**Neighborhood Stabilization** – to account for funds granted to the City under the U.S. Department of Housing and Urban Development Neighborhood Stabilization program which are to be used to purchase and rehabilitate single family housing units.

**Neighborhood Stabilization 2013** – to account for funds granted to the City from the U.S. Department of Housing and Urban Development under the American Recovery and Reinvestment Act of 2009 (ARRA) which are to be used to purchase and redevelop foreclosed upon homes and residential properties.

**Public Safety Academy Operating** – to account for and appropriate financial resources/pledges for the operations and maintenance of the Public Safety Academy.

**Consolidated Communications Partnership (CCP)** – to account for the funds of the operation of the City 911 Emergency Call Center.

## Non-major Governmental Funds (continued)

**General Donation** – to account for donations, restricted by donors, for purposes normally related to General Fund expenditures.

**Domestic Violence** – to account for taxes received and appropriated by the City Council for the prevention and education of domestic violence, rape, and sexual harassment.

**Rainy Day Fund** – to account for transfers of unused and unencumbered CREDIT Funds.

**Animal Care Donation** – to account for donations, restricted by donors, for animal care and other humane expenditures.

**Animal Control Special Project** – to account for all revenues, generated by fund raising activities, and expenditures for specific animal care needs.

**Parking Fund** – to account for receipts and expenses related to the monthly parking activities for employees and City owned vehicles.

**Barrett Law Surplus** – to account for excess revenues and expenditures related to the City's Barrett Law process.

**Debt Service Funds** – used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The City maintains the following non-major debt service fund:

**Public Safety Academy** – to account for the debt service payment related to the construction of the building, purchase of contents, as well as the dedicated resources pledged for debt service.

\*\*This is the only debt service fund that the city maintains that is not part of another major fund; therefore, combining statements are not necessary.

**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. The City maintains the following non-major capital projects funds:

**Renaissance Pointe** – to account for financial resources/pledges for the development, improvement and revitalization of the area designated as "Renaissance Pointe".

**Equipment Purchase** – to account for proceeds of leases to be used for the acquisition of equipment.

**Cumulative Capital Improvement** – to account for cigarette tax distributions.

**Building Project** – to account for the proceeds of bonds secured by a lease for the construction of seven fire stations, an animal care building, a transportation sub-station, the public safety academy and improvements to the City's Board of Works complex.

**Barrett Law Commercial** – to account for funds from a lending institution to expand the Barrett Law Program to extend loans to fund qualifying commercial projects.

**Barrett Law Revolving Improvement** – to account for all financial resources related to projects constructed wholly or in part from Redevelopment District proceeds (except tax increment bonds), General Obligation Bonds, and any participating federal and state grants, including any required City local matching funds.

CITY OF FORT WAYNE  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS  
 December 31, 2012

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 4,406,626	\$ -	\$ 7,022,318	\$ 11,428,944
Receivables (net of allowances for uncollectibles):				
Taxes	338	-	-	338
Assessments	-	-	562,825	562,825
Intergovernmental	2,569,696	-	59,309	2,629,005
Loans	6,158,137	-	-	6,158,137
Miscellaneous	2,388,424	-	35,924	2,424,348
Interfund receivable - pooled cash	2,969,543	-	-	2,969,543
Interfund receivable	-	-	915,532	915,532
Due from other funds	2,971	-	32,673	35,644
Assets held for resale	3,365,357	-	1,370,618	4,735,975
	<u>\$ 21,861,092</u>	<u>\$ -</u>	<u>\$ 9,999,199</u>	<u>\$ 31,860,291</u>
Total assets				
	<u>\$ 21,861,092</u>	<u>\$ -</u>	<u>\$ 9,999,199</u>	<u>\$ 31,860,291</u>
<u>Liabilities, deferred inflows of resources and fund balances</u>				
Liabilities:				
Accounts payable	\$ 253,371	\$ -	\$ 123,669	\$ 377,040
Wages and withholdings payable	40,949	-	-	40,949
Contracts payable	12,697	-	-	12,697
Interfund payable - pooled cash	1,233,966	1,735,577	-	2,969,543
Due to other funds	-	-	409,910	409,910
Unearned revenue	264,358	-	-	264,358
	<u>1,805,341</u>	<u>1,735,577</u>	<u>533,579</u>	<u>4,074,497</u>
Total liabilities				
	<u>1,805,341</u>	<u>1,735,577</u>	<u>533,579</u>	<u>4,074,497</u>
Deferred inflows of resources	423,494	-	615,979	1,039,473
	<u>423,494</u>	<u>-</u>	<u>615,979</u>	<u>1,039,473</u>
Fund balances:				
Nonspendable fund balance	3,589,389	-	1,370,618	4,960,007
Restricted fund balance	8,340,046	-	-	8,340,046
Committed fund balance	-	-	113,594	113,594
Assigned fund balance	7,706,297	-	7,365,429	15,071,726
Unassigned fund balance	(3,475)	(1,735,577)	-	(1,739,052)
	<u>19,632,257</u>	<u>(1,735,577)</u>	<u>8,849,641</u>	<u>26,746,321</u>
Total fund balances				
	<u>19,632,257</u>	<u>(1,735,577)</u>	<u>8,849,641</u>	<u>26,746,321</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 21,861,092</u>	<u>\$ -</u>	<u>\$ 9,999,199</u>	<u>\$ 31,860,291</u>

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2012

	Non-major Special Revenue Funds	Non-major Debt Service Funds	Non-major Capital Projects Funds	Totals
<b>Revenues:</b>				
Taxes	\$ 7,634	\$ 1,000,000	\$ -	\$ 1,007,634
Special assessments	-	-	616,344	616,344
Licenses and permits	1,183,482	-	-	1,183,482
Intergovernmental	10,150,269	-	672,853	10,823,122
Charges for services	5,514,526	-	-	5,514,526
Fines and forfeits	1,595,872	-	-	1,595,872
Other	2,430,034	1,000,000	311,274	3,741,308
	<u>20,881,817</u>	<u>2,000,000</u>	<u>1,600,471</u>	<u>24,482,288</u>
<b>Total revenues</b>				
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,959,085	900	-	1,959,985
Public safety	10,548,415	-	-	10,548,415
Highways and streets	3,629,106	-	-	3,629,106
Health and welfare	300,686	-	-	300,686
Economic opportunity	222,985	-	-	222,985
Economic development	398,204	-	-	398,204
Urban redevelopment and housing	5,965,486	-	-	5,965,486
<b>Debt service:</b>				
Principal	-	-	2,245,000	2,245,000
Interest	-	-	1,748,176	1,748,176
Capital outlay	-	351,698	8,670,993	9,022,691
	<u>23,023,967</u>	<u>352,598</u>	<u>12,664,169</u>	<u>36,040,734</u>
<b>Total expenditures</b>				
Excess (deficiency) of revenues over (under) expenditures	<u>(2,142,150)</u>	<u>1,647,402</u>	<u>(11,063,698)</u>	<u>(11,558,446)</u>
<b>Other financing sources (uses):</b>				
Transfers in	4,054,388	-	3,828,354	7,882,742
Transfers out	(1,681,359)	(2,225,119)	(232,304)	(4,138,782)
Capital leases issued	-	-	5,570,506	5,570,506
	<u>2,373,029</u>	<u>(2,225,119)</u>	<u>9,166,556</u>	<u>9,314,466</u>
<b>Total other financing sources (uses)</b>				
Net change in fund balances	230,879	(577,717)	(1,897,142)	(2,243,980)
Fund balances - beginning	18,711,999	(1,157,860)	12,405,207	29,959,346
Prior period adjustment (Note 14)	689,379	-	(1,658,424)	(969,045)
	<u>19,401,378</u>	<u>(1,157,860)</u>	<u>10,746,783</u>	<u>28,990,301</u>
<b>Fund balances - beginning, as restated</b>				
Fund balances - ending	<u>\$ 19,632,257</u>	<u>\$ (1,735,577)</u>	<u>\$ 8,849,641</u>	<u>\$ 26,746,321</u>

CITY OF FORT WAYNE  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 December 31, 2012

Assets	Abandoned Vehicle	Parking Meter	Law Enforcement Training	Omnibus Crime	Cable Television	Community Development Block Grants	Reimbursable State Grants	Unsafe Building	DED International Trade	HOME
Cash and cash equivalents	\$ 247,920	\$ -	\$ 200,000	\$ -	\$ 318,211	\$ -	\$ 2,073	\$ 373,212	\$ 5,286	\$ -
Receivables (net of allowances for uncollectibles):										
Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	13,838	-	524,932	178,481	-	-	218,598
Loans	-	-	-	-	-	843,581	-	-	-	3,944,574
Miscellaneous	190	151,900	24,832	-	273,842	45,324	-	1,804,290	-	-
Interfund receivable - pooled cash	-	-	1,013,147	-	-	-	-	220,819	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
Assets held for resale	-	-	-	-	-	2,198,388	-	-	-	30,296
<b>Total assets</b>	<b>\$ 248,110</b>	<b>\$ 151,900</b>	<b>\$ 1,237,979</b>	<b>\$ 13,838</b>	<b>\$ 592,053</b>	<b>\$ 3,612,225</b>	<b>\$ 180,554</b>	<b>\$ 2,398,321</b>	<b>\$ 5,286</b>	<b>\$ 4,193,468</b>

Liabilities, deferred inflows of resources and fund balances

Liabilities:										
Accounts payable	\$ 15	\$ 4,776	\$ 1,726	\$ 128	\$ 3,062	\$ 33,243	\$ 31,301	\$ 8,997	\$ -	\$ 1,241
Wages and withholdings payable	-	2,463	145	-	-	579	6,361	-	-	-
Contracts payable	-	-	-	-	-	12,697	-	-	-	-
Interfund payable - pooled cash	-	69,228	-	15,166	-	176,267	-	-	-	138,954
Unearned revenue	-	-	-	-	-	16,594	101,144	-	-	-
<b>Total liabilities</b>	<b>15</b>	<b>76,467</b>	<b>1,871</b>	<b>15,294</b>	<b>3,062</b>	<b>239,380</b>	<b>138,806</b>	<b>8,997</b>	<b>-</b>	<b>140,195</b>
Deferred inflows of resources	-	-	-	-	-	-	26,002	-	-	-
Fund balances:										
Nonspendable fund balance	-	-	-	-	-	2,198,389	-	-	-	30,296
Restricted fund balance	-	-	-	-	-	1,174,456	15,746	-	-	4,022,977
Assigned fund balance	248,095	75,433	1,236,108	-	588,991	-	-	2,389,324	5,286	-
Unassigned fund balance	-	-	-	(1,456)	-	-	-	-	-	-
<b>Total fund balances</b>	<b>248,095</b>	<b>75,433</b>	<b>1,236,108</b>	<b>(1,456)</b>	<b>588,991</b>	<b>3,372,845</b>	<b>15,746</b>	<b>2,389,324</b>	<b>5,286</b>	<b>4,053,273</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 248,110</b>	<b>\$ 151,900</b>	<b>\$ 1,237,979</b>	<b>\$ 13,838</b>	<b>\$ 592,053</b>	<b>\$ 3,612,225</b>	<b>\$ 180,554</b>	<b>\$ 2,398,321</b>	<b>\$ 5,286</b>	<b>\$ 4,193,468</b>

CITY OF FORT WAYNE  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 December 31, 2012

Assets	Affordable Housing Trust	Federal Revolving	Urban Development Action Grant	Urban Enterprise Association	Emergency Shelter Grant	Neighborhood Stabilization	Neighborhood Stabilization 2013	Public Safety Academy Operating	Consolidated Communication Partnership	General Donation
Cash and cash equivalents	\$ 7,058	\$ 77,660	\$ 20,041	\$ -	\$ -	\$ -	\$ -	\$ 67,344	\$ 894,648	\$ 880,013
Receivables (net of allowances for uncollectibles):										
Taxes	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	864,969	-	-	38,304	43,779	664,182	-	-	22,613
Loans	224,031	-	-	-	-	689,379	450,000	-	-	6,572
Miscellaneous	-	8,906	-	31,214	-	-	-	921	7,781	37,257
Interfund receivable - pooled cash	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	500
Assets held for resale	-	-	-	-	-	1,136,673	-	-	-	-
Total assets	\$ 231,089	\$ 951,535	\$ 20,041	\$ 31,214	\$ 38,304	\$ 1,869,831	\$ 1,114,182	\$ 68,265	\$ 902,429	\$ 946,955

Liabilities, deferred inflows of resources and fund balances

Liabilities:										
Accounts payable	\$ -	\$ 102,867	\$ -	\$ 761	\$ 5,463	\$ -	\$ -	\$ 2,371	\$ 21,568	\$ 26,298
Wages and withholdings payable	-	169	-	3,152	-	-	-	-	26,706	860
Contracts payable	-	-	-	-	-	-	-	-	-	-
Interfund payable - pooled cash	-	-	-	29,320	32,841	108,008	664,182	-	-	-
Unearned revenue	-	146,620	-	-	-	-	-	-	-	-
Total liabilities	-	249,656	-	33,233	38,304	108,008	664,182	2,371	48,274	27,158
Deferred inflows of resources	-	397,154	-	-	-	-	-	-	-	-
Fund balances:										
Nonspendable fund balance	224,031	-	-	-	-	1,136,673	-	-	-	-
Restricted fund balance	-	304,725	-	-	-	625,150	450,000	-	-	919,797
Assigned fund balance	7,058	-	20,041	-	-	-	-	65,894	854,155	-
Unassigned fund balance	-	-	-	(2,019)	-	-	-	-	-	-
Total fund balances	231,089	304,725	20,041	(2,019)	-	1,761,823	450,000	65,894	854,155	919,797
Total liabilities, deferred inflows of resources and fund balances	\$ 231,089	\$ 951,535	\$ 20,041	\$ 31,214	\$ 38,304	\$ 1,869,831	\$ 1,114,182	\$ 68,265	\$ 902,429	\$ 946,955

CITY OF FORT WAYNE  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 December 31, 2012

	Domestic Violence	Rainy Day Fund	Animal Care Donation	Animal Control Special Project	Parking Fund	Barrett Law Surplus	Totals
<b>Assets</b>							
Cash and cash equivalents	\$ 11,386	\$ 355,696	\$ 670,593	\$ 163,591	\$ 67,447	\$ 44,447	\$ 4,406,626
Receivables (net of allowances for uncollectibles):							
Taxes	338	-	-	-	-	-	338
Intergovernmental	-	-	-	-	-	-	2,569,696
Loans	-	-	-	-	-	-	6,158,137
Miscellaneous	-	-	-	-	1,967	-	2,388,424
Interfund receivable - pooled cash	-	1,735,577	-	-	-	-	2,969,543
Due from other funds	-	-	-	-	2,471	-	2,971
Assets held for resale	-	-	-	-	-	-	3,365,357
<b>Total assets</b>	<b>\$ 11,724</b>	<b>\$ 2,091,273</b>	<b>\$ 670,593</b>	<b>\$ 163,591</b>	<b>\$ 71,885</b>	<b>\$ 44,447</b>	<b>\$ 21,861,092</b>

Liabilities, deferred inflows of resources and fund balances

<b>Liabilities:</b>							
Accounts payable	\$ 3,079	\$ -	\$ 941	\$ 5,534	\$ -	\$ -	\$ 253,371
Wages and withholdings payable	-	-	514	-	-	-	40,949
Contracts payable	-	-	-	-	-	-	12,697
Interfund payable - pooled cash	-	-	-	-	-	-	1,233,966
Unearned revenue	-	-	-	-	-	-	264,358
<b>Total liabilities</b>	<b>3,079</b>	<b>-</b>	<b>1,455</b>	<b>5,534</b>	<b>-</b>	<b>-</b>	<b>1,805,341</b>
<b>Deferred inflows of resources</b>	<b>338</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>423,494</b>
<b>Fund balances:</b>							
Nonspendable fund balance	-	-	-	-	-	-	3,589,389
Restricted fund balance	-	-	669,138	158,057	-	-	8,340,046
Assigned fund balance	8,307	2,091,273	-	-	71,885	44,447	7,706,297
Unassigned fund balance	-	-	-	-	-	-	(3,475)
<b>Total fund balances</b>	<b>8,307</b>	<b>2,091,273</b>	<b>669,138</b>	<b>158,057</b>	<b>71,885</b>	<b>44,447</b>	<b>19,632,257</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 11,724</b>	<b>\$ 2,091,273</b>	<b>\$ 670,593</b>	<b>\$ 163,591</b>	<b>\$ 71,885</b>	<b>\$ 44,447</b>	<b>\$ 21,861,092</b>

CITY OF FORT WAYNE  
 COMBINING BALANCE SHEET  
 NON-MAJOR CAPITAL PROJECTS FUNDS  
 December 31, 2012

	Renaissance Pointe	Equipment Purchase	Cumulative Capital Improvement	Building Project	Barrett Law Commercial	Barrett Law Revolving Improvement	Totals
<u>Assets</u>							
Cash and cash equivalents	\$ 46,415	\$ 451,264	\$ 659,250	\$ 3,560,813	\$ 102,297	\$ 2,202,279	\$ 7,022,318
Receivables (net of allowances for uncollectibles):							
Assessments	-	-	-	-	3,093	559,732	562,825
Intergovernmental	-	-	59,309	-	-	-	59,309
Miscellaneous	-	-	-	-	157	35,767	35,924
Interfund receivable	-	915,532	-	-	-	-	915,532
Due from other funds	-	-	31,503	-	-	1,170	32,673
Assets held for resale	1,370,618	-	-	-	-	-	1,370,618
<b>Total assets</b>	<b>\$ 1,417,033</b>	<b>\$ 1,366,796</b>	<b>\$ 750,062</b>	<b>\$ 3,560,813</b>	<b>\$ 105,547</b>	<b>\$ 2,798,948</b>	<b>\$ 9,999,199</b>
<u>Liabilities, deferred inflows of resources and fund balances</u>							
<u>Liabilities:</u>							
Accounts payable	\$ -	\$ -	\$ 101,405	\$ -	\$ -	\$ 22,264	\$ 123,669
Due to other funds	-	307,206	-	-	-	102,704	409,910
<b>Total liabilities</b>	<b>-</b>	<b>307,206</b>	<b>101,405</b>	<b>-</b>	<b>-</b>	<b>124,968</b>	<b>533,579</b>
Deferred inflows of resources	-	-	59,309	-	3,112	553,558	615,979
<u>Fund balances:</u>							
Nonspendable fund balance	1,370,618	-	-	-	-	-	1,370,618
Committed fund balance	-	-	-	-	-	113,594	113,594
Assigned fund balance	46,415	1,059,590	589,348	3,560,813	102,435	2,006,828	7,365,429
<b>Total fund balances</b>	<b>1,417,033</b>	<b>1,059,590</b>	<b>589,348</b>	<b>3,560,813</b>	<b>102,435</b>	<b>2,120,422</b>	<b>8,849,641</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 1,417,033</b>	<b>\$ 1,366,796</b>	<b>\$ 750,062</b>	<b>\$ 3,560,813</b>	<b>\$ 105,547</b>	<b>\$ 2,798,948</b>	<b>\$ 9,999,199</b>

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 For The Year Ended December 31, 2012

	Abandoned Vehicle	Parking Meter	Law Enforcement Training	Omnibus Crime	Cable Television	Community Development Block Grants	Reimbursable State Grants	Unsafe Building	DED International Trade	HOME	Affordable Housing Trust
Revenues:											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	101,426	-	1,082,056	-	-	-	-	-	-
Intergovernmental	-	-	-	59,455	-	2,120,788	573,599	-	-	982,307	-
Charges for services	10,070	204,229	176,667	-	-	494,288	2,332,617	-	-	514,733	-
Fines and forfeits	-	202,751	36,958	-	-	-	-	1,179,366	-	-	-
Other	65,054	442	1,646	-	544	-	79,901	17,334	7	-	39
Total revenues	75,124	407,422	316,697	59,455	1,082,600	2,615,076	2,986,117	1,196,700	7	1,497,040	39
Expenditures:											
Current:											
General government	-	558,272	-	-	999,138	-	-	-	-	-	-
Public safety	2,215	-	123,869	60,911	-	-	675,475	665,716	-	-	-
Highways and streets	-	-	-	-	-	-	2,332,616	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-	-
Economic opportunity	-	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	500	-	-
Urban redevelopment and housing	-	-	-	-	-	2,193,340	-	-	-	1,395,149	30,700
Total expenditures	2,215	558,272	123,869	60,911	999,138	2,193,340	3,008,091	665,716	500	1,395,149	30,700
Excess (deficiency) of revenues over (under) expenditures	72,909	(150,850)	192,828	(1,456)	83,462	421,736	(21,974)	530,984	(493)	101,891	(30,661)
Other financing sources (uses):											
Transfers in	-	-	-	-	-	34,381	-	-	-	4	-
Transfers out	-	-	-	-	(75,000)	(20,000)	(525)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(75,000)	14,381	(525)	-	-	4	-
Net change in fund balances	72,909	(150,850)	192,828	(1,456)	8,462	436,117	(22,499)	530,984	(493)	101,895	(30,661)
Fund balances - beginning	175,186	226,283	1,043,280	-	580,529	2,936,728	38,245	1,858,340	5,779	3,951,378	261,750
Prior period adjustment (Note 14)	-	-	-	-	-	-	-	-	-	-	-
Fund balances - beginning, as restated	175,186	226,283	1,043,280	-	580,529	2,936,728	38,245	1,858,340	5,779	3,951,378	261,750
Fund balances - ending	\$ 248,095	\$ 75,433	\$ 1,236,108	\$ (1,456)	\$ 588,991	\$ 3,372,845	\$ 15,746	\$ 2,389,324	\$ 5,286	\$ 4,053,273	\$ 231,089

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 For The Year Ended December 31, 2012

	Federal Revolving	Urban Development Action Grant	Urban Enterprise Association	Emergency Shelter Grant	Neighborhood Stabilization	Neighborhood Stabilization 2013	Public Safety Academy Operating	Consolidated Communication Partnership	General Donation
<b>Revenues:</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	2,194,619	-	-	88,682	821,064	664,182	-	2,491,171	-
Charges for services	942,148	-	-	-	731	450,000	19,798	103,201	167,908
Fines and forfeits	159,348	-	-	-	-	-	-	-	17,449
Other	11,247	23	395,685	-	-	-	162,926	934,439	262,195
<b>Total revenues</b>	<b>3,307,362</b>	<b>23</b>	<b>395,685</b>	<b>88,682</b>	<b>821,795</b>	<b>1,114,182</b>	<b>182,724</b>	<b>3,528,811</b>	<b>447,552</b>
<b>Expenditures:</b>									
<b>Current:</b>									
General government	-	-	-	-	-	-	-	-	66,466
Public safety	1,458,761	-	-	-	-	-	926,918	6,436,048	193,186
Highways and streets	1,169,368	-	-	-	-	-	-	-	127,122
Health and welfare	-	-	-	-	-	-	-	-	-
Economic opportunity	222,134	-	-	-	-	-	-	-	851
Economic development	-	-	397,704	-	-	-	-	-	-
Urban redevelopment and housing	977,980	-	-	88,682	555,021	664,182	-	-	60,432
<b>Total expenditures</b>	<b>3,828,243</b>	<b>-</b>	<b>397,704</b>	<b>88,682</b>	<b>555,021</b>	<b>664,182</b>	<b>926,918</b>	<b>6,436,048</b>	<b>448,057</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(520,881)</b>	<b>23</b>	<b>(2,019)</b>	<b>-</b>	<b>266,774</b>	<b>450,000</b>	<b>(744,194)</b>	<b>(2,907,237)</b>	<b>(505)</b>
<b>Other financing sources (uses):</b>									
Transfers in	192,781	-	-	-	-	-	550,000	3,195,130	55,055
Transfers out	(120,722)	-	-	-	-	-	(4,000)	-	(19,587)
<b>Total other financing sources (uses)</b>	<b>72,059</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>546,000</b>	<b>3,195,130</b>	<b>35,468</b>
<b>Net change in fund balances</b>	<b>(448,822)</b>	<b>23</b>	<b>(2,019)</b>	<b>-</b>	<b>266,774</b>	<b>450,000</b>	<b>(198,194)</b>	<b>287,893</b>	<b>34,963</b>
<b>Fund balances - beginning</b>	<b>753,547</b>	<b>20,018</b>	<b>-</b>	<b>-</b>	<b>805,670</b>	<b>-</b>	<b>264,088</b>	<b>566,262</b>	<b>884,834</b>
<b>Prior period adjustment (Note 14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>689,379</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - beginning, as restated</b>	<b>753,547</b>	<b>20,018</b>	<b>-</b>	<b>-</b>	<b>1,495,049</b>	<b>-</b>	<b>264,088</b>	<b>566,262</b>	<b>884,834</b>
<b>Fund balances - ending</b>	<b>\$ 304,725</b>	<b>\$ 20,041</b>	<b>\$ (2,019)</b>	<b>\$ -</b>	<b>\$ 1,761,823</b>	<b>\$ 450,000</b>	<b>\$ 65,894</b>	<b>\$ 854,155</b>	<b>\$ 919,797</b>

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS  
 For The Year Ended December 31, 2012

	Domestic Violence	Rainy Day Fund	Animal Care Donation	Animal Control Special Project	Parking Fund	Barrett Law Surplus	Totals
<b>Revenues:</b>							
Taxes	\$ 7,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,634
Licenses and permits	-	-	-	-	-	-	1,183,482
Intergovernmental	-	-	154,402	-	-	-	10,150,269
Charges for services	-	-	-	-	98,136	-	5,514,526
Fines and forfeits	-	-	-	-	-	-	1,595,872
Other	-	-	2,203	188,725	306,672	952	2,430,034
<b>Total revenues</b>	<b>7,634</b>	<b>-</b>	<b>156,605</b>	<b>188,725</b>	<b>404,808</b>	<b>952</b>	<b>20,881,817</b>
<b>Expenditures:</b>							
<b>Current:</b>							
General government	-	-	-	-	332,923	2,286	1,959,085
Public safety	5,316	-	-	-	-	-	10,548,415
Highways and streets	-	-	-	-	-	-	3,629,106
Health and welfare	-	-	120,195	180,491	-	-	300,686
Economic opportunity	-	-	-	-	-	-	222,985
Economic development	-	-	-	-	-	-	398,204
Urban redevelopment and housing	-	-	-	-	-	-	5,965,486
<b>Total expenditures</b>	<b>5,316</b>	<b>-</b>	<b>120,195</b>	<b>180,491</b>	<b>332,923</b>	<b>2,286</b>	<b>23,023,967</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,318</b>	<b>-</b>	<b>36,410</b>	<b>8,234</b>	<b>71,885</b>	<b>(1,334)</b>	<b>(2,142,150)</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	(1,400,000)	(27,037)	27,037	-	-	4,054,388
Transfers out	-	-	-	(14,488)	-	-	(1,681,359)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(1,400,000)</b>	<b>(27,037)</b>	<b>12,549</b>	<b>-</b>	<b>-</b>	<b>2,373,029</b>
<b>Net change in fund balances</b>	<b>2,318</b>	<b>(1,400,000)</b>	<b>9,373</b>	<b>20,783</b>	<b>71,885</b>	<b>(1,334)</b>	<b>230,879</b>
<b>Fund balances - beginning</b>	<b>5,989</b>	<b>3,491,273</b>	<b>659,765</b>	<b>137,274</b>	<b>-</b>	<b>45,781</b>	<b>18,711,999</b>
<b>Prior period adjustment (Note 14)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>689,379</b>
<b>Fund balances - beginning, as restated</b>	<b>5,989</b>	<b>3,491,273</b>	<b>659,765</b>	<b>137,274</b>	<b>-</b>	<b>45,781</b>	<b>19,401,378</b>
<b>Fund balances - ending</b>	<b>8,307</b>	<b>2,091,273</b>	<b>669,138</b>	<b>158,057</b>	<b>71,885</b>	<b>44,447</b>	<b>19,632,257</b>

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES  
 NON-MAJOR CAPITAL PROJECTS FUNDS  
 For The Year Ended December 31, 2012

	Renaissance Pointe	Equipment Purchase	Cumulative Capital Improvement	Building Project	Barrett Law Commercial	Barrett Law Revolving Improvement	Totals
Revenues:							
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ 1,289	\$ 615,055	\$ 616,344
Intergovernmental	-	-	672,853	-	-	-	672,853
Other	44	64,120	669	244,913	29	1,499	311,274
Total revenues	44	64,120	673,522	244,913	1,318	616,554	1,600,471
Expenditures:							
Debt service:							
Principal	-	-	-	2,245,000	-	-	2,245,000
Interest	-	-	-	1,748,176	-	-	1,748,176
Capital outlay	94,196	7,113,692	638,902	206,069	-	618,134	8,670,993
Total expenditures	94,196	7,113,692	638,902	4,199,245	-	618,134	12,664,169
Excess (deficiency) of revenues over (under) expenditures	(94,152)	(7,049,572)	34,620	(3,954,332)	1,318	(1,580)	(11,063,698)
Other financing sources (uses):							
Transfers in	-	146,492	-	3,681,862	-	-	3,828,354
Transfers out	(34,381)	(48,720)	-	(149,203)	-	-	(232,304)
Capital leases issued	-	5,570,506	-	-	-	-	5,570,506
Total other financing sources (uses)	(34,381)	5,668,278	-	3,532,659	-	-	9,166,556
Net change in fund balances	(128,533)	(1,381,294)	34,620	(421,673)	1,318	(1,580)	(1,897,142)
Fund balances - beginning	1,545,566	2,440,884	554,728	3,982,486	101,567	3,779,976	12,405,207
Prior period adjustment (Note 14)	-	-	-	-	(450)	(1,657,974)	(1,658,424)
Fund balances - beginning, as restated	1,545,566	2,440,884	554,728	3,982,486	101,117	2,122,002	10,746,783
Fund balances - ending	\$ 1,417,033	\$ 1,059,590	\$ 589,348	\$ 3,560,813	\$ 102,435	\$ 2,120,422	\$ 8,849,641

CITY OF FORT WAYNE  
 BUDGETARY COMPARISON SCHEDULES  
 OTHER NON-MAJOR BUDGETED GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2012

	Parking Meter			Law Enforcement Training			Cable Television					
	Budgeted Amounts		Variance Positive (Negative)	Budgeted Amounts		Variance Positive (Negative)	Budgeted Amounts		Variance Positive (Negative)			
	Original	Final	Actual	Original	Final	Actual	Original	Final	Actual			
Revenues:												
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 74,400	\$ 74,400	101,426	\$ 1,148,000	\$ 1,148,000	\$ 1,082,056	\$ (65,944)	
Charges for services	175,350	175,350	204,229	28,879	158,940	158,940	176,667	-	-	-	-	
Fines and forfeits	271,000	271,000	202,751	(68,249)	36,000	36,000	36,958	-	-	-	-	
Other	-	-	442	442	-	-	1,646	-	-	544	544	
Total revenues	446,350	446,350	407,422	(38,928)	269,340	269,340	316,697	1,148,000	1,148,000	1,082,600	(65,400)	
Expenditures:												
General government:												
Personal services	498,023	498,023	502,712	(4,689)	-	-	-	-	-	-	-	-
Supplies	17,255	17,255	11,681	5,574	-	-	-	-	-	-	-	-
Other services and charges	44,833	44,833	43,879	954	-	-	-	1,060,000	1,060,000	983,888	76,112	
Capital outlay	-	-	-	-	-	-	-	20,000	17,250	15,250	2,000	
Public safety:												
Other services and charges	-	-	-	-	206,800	206,800	123,869	-	-	-	-	-
Total expenditures	560,111	560,111	558,272	1,839	206,800	206,800	123,869	1,080,000	1,077,250	999,138	78,112	
Other financing sources (uses):												
Transfers out	-	-	-	-	-	-	-	(75,000)	(75,000)	(75,000)	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	(75,000)	(75,000)	(75,000)	-	-
Net change in fund balances	(113,761)	(113,761)	(150,850)	(37,089)	62,540	62,540	192,828	(7,000)	(4,250)	8,462	12,712	
Fund balances - beginning	226,283	226,283	226,283	-	1,043,280	1,043,280	1,043,280	580,529	580,529	580,529	-	-
Fund balances - ending	\$ 112,522	\$ 112,522	\$ 75,433	\$ (37,089)	\$ 1,105,820	\$ 1,105,820	\$ 1,236,108	\$ 573,529	\$ 576,279	\$ 588,991	\$ 12,712	

CITY OF FORT WAYNE  
 BUDGETARY COMPARISON SCHEDULES  
 OTHER NON-MAJOR BUDGETED GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2012

	Unsafe Building			Domestic Violence			Variance Positive (Negative)
	Budgeted Amounts		Actual	Budgeted Amounts		Actual	
	Original	Final		Original	Final		
Revenues:							
Taxes	\$ -	\$ -	\$ -	\$ 7,680	\$ 7,680	\$ 7,634	\$ (46)
Fines and forfeits	1,179,366	1,179,366	1,179,366	-	-	-	-
Other	17,334	17,334	17,334	-	-	-	-
Total revenues	1,196,700	1,196,700	1,196,700	7,680	7,680	7,634	(46)
Expenditures:							
Public safety:							
Supplies	-	-	-	150	150	-	150
Other services and charges	665,716	665,716	665,716	5,138	5,138	5,316	(178)
Total expenditures	665,716	665,716	665,716	5,288	5,288	5,316	(28)
Net change in fund balances	530,984	530,984	530,984	2,392	2,392	2,318	(74)
Fund balances - beginning	1,858,340	1,858,340	1,858,340	5,989	5,989	5,989	-
Fund balances - ending	\$ 2,389,324	\$ 2,389,324	\$ 2,389,324	\$ 8,381	\$ 8,381	\$ 8,307	\$ (74)

CITY OF FORT WAYNE  
 BUDGETARY COMPARISON SCHEDULES  
 OTHER NON-MAJOR BUDGETED GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2012

	Rainy Day Fund			Cumulative Capital Improvement			Variance Positive (Negative)
	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Budgeted Amounts Original	Budgeted Amounts Final	Actual	
Revenues:							
Intergovernmental	\$ -	\$ -	\$ -	\$ 687,503	\$ 687,503	\$ 672,853	\$ (14,650)
Other	-	-	-	-	-	669	669
Total revenues	-	-	-	687,503	687,503	673,522	(13,981)
Expenditures:							
Capital outlay	-	-	-	780,637	711,461	638,902	72,559
Total expenditures	-	-	-	780,637	711,461	638,902	72,559
Other financing sources (uses):							
Transfers out	(1,400,000)	(1,400,000)	(1,400,000)	-	-	-	-
Net change in fund balances	(1,400,000)	(1,400,000)	(1,400,000)	(93,134)	(23,958)	34,620	58,578
Fund balances - beginning	3,491,273	3,491,273	3,491,273	554,728	554,728	554,728	-
Fund balances - ending	\$ 2,091,273	\$ 2,091,273	\$ 2,091,273	\$ 461,594	\$ 530,770	\$ 589,348	\$ 58,578

## Non-major Proprietary Funds

**Enterprise Funds** – used to account for the financing of services to the general public where all or most of the costs involved are financed by user charges for such services. The City maintains the following non-major enterprise funds:

**Solid Waste Management** – to account for the cost of collecting, disposing, and recycling of solid waste.

**Civic Center Parking Garage** – to account for revenues and expenses in connection with operating the Civic Center Parking Garage.

**Midtowne Parking Garage** – to account for operating revenues and expenses for the operation of the Midtowne Crossing Garage.

**2001 Parking Garage Addition** – to account for revenues and expenses in connection with the joint City and County parking facility addition.

**Electric Utility** – to account for lease payments from a private electric utility through the year 2011.

**Yardwaste Facility** – to account for the activities of the yardwaste facility.

**Internal Service Funds** – used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City maintains the following non-major internal service funds:

**Self Insurance** – to account for the financial requirements to self-insure for the employee medical insurance plan, general liability and automobile liability, and worker's compensation liability.

**Garage** – to account for services rendered to maintain the City fleet of vehicles and equipment.

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF NET POSITION  
 NON-MAJOR ENTERPRISE FUNDS  
 December 31, 2012

	Solid Waste Management	Civic Center Parking Garage	Midtowne Parking Garage	2001 Parking Garage Addition	Electric Utility	Yardwaste Facility	Totals
<b>Assets</b>							
Current assets:							
Cash and cash equivalents	\$ 1,642,886	\$ 301,730	\$ 8,130	\$ -	\$ -	\$ 315,710	\$ 2,268,456
Receivables:							
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	68,114	68,114
Miscellaneous receivable	223,573	3,254	12,152	-	-	-	238,979
Due from other funds	1,293,911	-	-	-	-	5	1,293,916
Prepaid expenses	127	3,548	-	-	-	24	3,699
<b>Total current assets</b>	<b>3,160,497</b>	<b>308,532</b>	<b>20,282</b>	<b>-</b>	<b>-</b>	<b>383,853</b>	<b>3,873,164</b>
Noncurrent assets:							
Restricted cash and cash equivalents	-	-	-	4,018	-	-	4,018
Unamortized issuance cost	-	-	-	31,974	-	-	31,974
Capital assets:							
Land, improvements to land and construction in progress	-	997,802	-	-	75,732	1,938	1,075,472
Other capital assets (net of accumulated depreciation)	3,127,348	2,237,205	225,000	1,180,205	19,015	26,170	6,814,943
<b>Total noncurrent assets</b>	<b>3,127,348</b>	<b>3,235,007</b>	<b>225,000</b>	<b>1,216,197</b>	<b>94,747</b>	<b>28,108</b>	<b>7,926,407</b>
<b>Total assets</b>	<b>6,287,845</b>	<b>3,543,539</b>	<b>245,282</b>	<b>1,216,197</b>	<b>94,747</b>	<b>411,961</b>	<b>11,799,571</b>
<b>Liabilities</b>							
Current liabilities:							
Accounts payable	113,581	-	-	-	-	18,210	131,791
Wages and withholdings payable	1,639	-	-	-	-	-	1,639
Due to other funds	1,553	-	-	-	-	4,231	5,784
Interfund payable	-	-	-	-	-	62	62
Compensated absences payable - current portion	4,101	-	-	-	-	859	4,960
Capital lease payable - current portion	368,788	-	-	-	-	-	368,788
Contracts payable	639,678	-	-	-	-	-	639,678
Loans payable - current portion	-	273,571	-	-	-	-	273,571
Revenue bonds payable - current portion	-	-	-	95,000	-	-	95,000
Accrued interest payable	28,375	-	-	25,996	-	-	54,371
Other current liabilities	-	-	-	-	-	981	981
<b>Total current liabilities</b>	<b>1,157,715</b>	<b>273,571</b>	<b>-</b>	<b>120,996</b>	<b>-</b>	<b>24,343</b>	<b>1,576,625</b>
Noncurrent liabilities:							
Compensated absences payable	-	-	-	-	-	902	902
Capital lease payable	1,794,994	-	-	-	-	-	1,794,994
Revenue bonds payable, net	-	-	-	940,000	-	-	940,000
Interfund payable	-	-	-	-	-	149	149
<b>Total noncurrent liabilities</b>	<b>1,794,994</b>	<b>-</b>	<b>-</b>	<b>940,000</b>	<b>-</b>	<b>1,051</b>	<b>2,736,045</b>
<b>Total liabilities</b>	<b>2,952,709</b>	<b>273,571</b>	<b>-</b>	<b>1,060,996</b>	<b>-</b>	<b>25,394</b>	<b>4,312,670</b>
<b>Net position</b>							
Net investment in capital assets	963,566	2,961,436	225,000	145,205	94,747	28,108	4,418,062
Restricted for:							
Debt service	-	-	-	9,996	-	-	9,996
Unrestricted	2,371,570	308,532	20,282	-	-	358,459	3,058,843
<b>Total net position</b>	<b>\$ 3,335,136</b>	<b>\$ 3,269,968</b>	<b>\$ 245,282</b>	<b>\$ 155,201</b>	<b>\$ 94,747</b>	<b>\$ 386,567</b>	<b>\$ 7,486,901</b>

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 December 31, 2012

	Self Insurance	Garage	Totals
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 3,573,450	\$ 270,487	\$ 3,843,937
Miscellaneous receivable	410,765	6,605	417,370
Due from other funds	17,345	124,689	142,034
Inventories	-	70,158	70,158
Prepaid expenses	682	279	961
	<u>4,002,242</u>	<u>472,218</u>	<u>4,474,460</u>
Total current assets			
Noncurrent assets:			
Capital assets:			
Land, improvements to land and construction in progress	-	27,277	27,277
Other capital assets (net of accumulated depreciation)	-	393,017	393,017
	<u>-</u>	<u>420,294</u>	<u>420,294</u>
Total noncurrent assets	<u>-</u>	<u>420,294</u>	<u>420,294</u>
Total assets	<u>4,002,242</u>	<u>892,512</u>	<u>4,894,754</u>
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	1,163,089	133,591	1,296,680
Wages and withholdings payable	5,913	1,619	7,532
Contract payable	-	333,167	333,167
Due to other funds	1,089	990	2,079
Compensated absences payable - current portion	9,101	20,409	29,510
Accrued group insurance benefits payable	1,453,447	-	1,453,447
Other current liabilities	543,433	-	543,433
	<u>3,176,072</u>	<u>489,776</u>	<u>3,665,848</u>
Total liabilities	<u>3,176,072</u>	<u>489,776</u>	<u>3,665,848</u>
<u>Net position</u>			
Net investment in capital assets	-	420,294	420,294
Unrestricted	826,170	(17,558)	808,612
	<u>826,170</u>	<u>(17,558)</u>	<u>808,612</u>
Total net position	<u>\$ 826,170</u>	<u>\$ 402,736</u>	<u>\$ 1,228,906</u>

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 NON-MAJOR ENTERPRISE FUNDS  
 For The Year Ended December 31, 2012

	Solid Waste Management	Civic Center Parking Garage	Midtowne Parking Garage	2001 Parking Garage Addition	Electric Utility	Yardwaste Facility	Totals
Operating revenues:							
Charges for goods and services	\$ 10,533,360	\$ 667,956	\$ 82,799	\$ -	\$ -	\$ 208,686	\$ 11,492,801
Operating expenses:							
Personnel services	227,239	-	-	-	-	11	227,250
Contractual services	8,439,823	244,545	-	-	-	91,860	8,776,228
Utilities	429	52,003	-	-	-	-	52,432
Administrative services	-	-	-	-	-	32,689	32,689
Other supplies and services	654,821	29,711	87,350	-	-	5,616	777,498
Insurance claims and premiums	1,009	7,834	-	-	-	-	8,843
Depreciation	908,136	303,477	12,500	42,150	821	4,014	1,271,098
Total operating expenses	10,231,457	637,570	99,850	42,150	821	134,190	11,146,038
Operating income (loss)	301,903	30,386	(17,051)	(42,150)	(821)	74,496	346,763
Nonoperating revenues (expenses):							
Interest and investment revenue	2,658	-	15	3	-	-	2,676
Interest expense	(70,860)	-	-	(56,909)	-	(6)	(127,775)
Amortization of debt issuance costs	-	-	-	(3,553)	-	-	(3,553)
Total nonoperating revenue (expenses)	(68,202)	-	15	(60,459)	-	(6)	(128,652)
Income (loss) before transfers	233,701	30,386	(17,036)	(102,609)	(821)	74,490	218,111
Transfers out	(766,040)	-	-	-	(61,368,700)	-	(62,134,740)
Change in net position	(532,339)	30,386	(17,036)	(102,609)	(61,369,521)	74,490	(61,916,629)
Total net position - beginning	3,867,475	3,239,582	262,318	257,810	42,872,198	312,077	50,811,460
Prior period adjustment	-	-	-	-	18,592,070	-	18,592,070
Total net position - beginning (restated)	3,867,475	3,239,582	262,318	257,810	61,464,268	312,077	69,403,530
Total net position - ending	\$ 3,335,136	\$ 3,269,968	\$ 245,282	\$ 155,201	\$ 94,747	\$ 386,567	\$ 7,486,901

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 INTERNAL SERVICE FUNDS  
 For The Year Ended December 31, 2012

	Self Insurance	Garage	Totals
Operating revenues:			
Charges for goods and services	\$ -	\$ 7,335,573	\$ 7,335,573
City contributions	29,116,412	-	29,116,412
Employee contributions	2,021,904	-	2,021,904
Insurance recoveries	210,490	-	210,490
	<u>31,348,806</u>	<u>7,335,573</u>	<u>38,684,379</u>
Total operating revenues			
Operating expenses:			
Personnel services	505,020	233,141	738,161
Contractual services	3,053,340	3,721,049	6,774,389
Utilities	837	34,852	35,689
Other supplies and services	23,782	3,343,854	3,367,636
Insurance claims and premiums	28,850,089	2,221	28,852,310
Depreciation	-	40,740	40,740
	<u>32,433,068</u>	<u>7,375,857</u>	<u>39,808,925</u>
Total operating expenses			
Operating loss	<u>(1,084,262)</u>	<u>(40,284)</u>	<u>(1,124,546)</u>
Nonoperating revenues:			
Interest and investment revenue	2,944	70	3,014
Miscellaneous revenue	136,747	7,548	144,295
	<u>139,691</u>	<u>7,618</u>	<u>147,309</u>
Total nonoperating revenues			
Loss before transfers	<u>(944,571)</u>	<u>(32,666)</u>	<u>(977,237)</u>
Transfers in	<u>1,400,000</u>	<u>-</u>	<u>1,400,000</u>
Change in net position	455,429	(32,666)	422,763
Total net position - beginning	<u>370,741</u>	<u>435,402</u>	<u>806,143</u>
Total net position - ending	<u>\$ 826,170</u>	<u>\$ 402,736</u>	<u>\$ 1,228,906</u>

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF CASH FLOWS  
 NON-MAJOR ENTERPRISE FUNDS  
 For The Year Ended December 31, 2012

	Solid Waste Management	Civic Center Parking Garage	Midtowne Parking Garage	2001 Parking Garage Addition	Electric Utility	Yardwaste Facility	Totals
<b>Cash flows from operating activities:</b>							
Receipts from customers and users	\$ 10,396,963	\$ 663,431	\$ 84,190	\$ -	\$ -	\$ 177,538	\$ 11,322,122
Payments to suppliers	(9,117,475)	(334,093)	(87,350)	-	-	(128,404)	(9,667,322)
Payments to employees	(228,671)	-	-	-	-	(11)	(228,682)
Other receipts	-	-	-	-	-	5	5
Net cash provided (used) by operating activities	<u>1,050,817</u>	<u>329,338</u>	<u>(3,160)</u>	<u>-</u>	<u>-</u>	<u>49,128</u>	<u>1,426,123</u>
<b>Cash flows from noncapital financing activities:</b>							
Transfer to other funds	(766,040)	-	-	-	(10,048,520)	-	(10,814,560)
<b>Cash flows from capital and related financing activities:</b>							
Acquisition and construction of capital assets	-	(41,695)	-	-	-	(605)	(42,300)
Principal paid on capital debt	(358,533)	(273,572)	-	(90,000)	-	-	(722,105)
Capital lease payments	(6,455)	-	-	-	-	-	(6,455)
Interest paid on capital debt	(64,404)	-	-	(58,985)	-	-	(123,389)
Net cash used by capital and related financing activities	<u>(429,392)</u>	<u>(315,267)</u>	<u>-</u>	<u>(148,985)</u>	<u>-</u>	<u>(605)</u>	<u>(894,249)</u>
<b>Cash flows from investing activities:</b>							
Investment income received	<u>2,658</u>	<u>-</u>	<u>15</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>2,676</u>
Net increase (decrease) in cash and cash equivalents	(141,957)	14,071	(3,145)	(148,982)	(10,048,520)	48,523	(10,280,010)
Cash and cash equivalents, January 1	<u>1,784,843</u>	<u>287,659</u>	<u>11,275</u>	<u>153,000</u>	<u>10,048,520</u>	<u>267,187</u>	<u>12,552,484</u>
Cash and cash equivalents, December 31	<u>\$ 1,642,886</u>	<u>\$ 301,730</u>	<u>\$ 8,130</u>	<u>\$ 4,018</u>	<u>\$ -</u>	<u>\$ 315,710</u>	<u>\$ 2,272,474</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating income (loss)	\$ 301,903	\$ 30,386	\$ (17,051)	\$ (42,150)	\$ (821)	\$ 74,496	\$ 346,763
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>							
Depreciation expense	908,136	303,477	12,500	42,150	821	4,014	1,271,098
<b>(Increase) decrease in assets:</b>							
Miscellaneous receivable	(166,003)	(3,254)	1,391	-	-	(31,148)	(199,014)
Due from other funds	29,604	-	-	-	-	-	29,604
Other assets	-	-	-	-	-	5	5
Prepaid expenses	(63)	(1,271)	-	-	-	-	(1,334)
<b>Increase (decrease) in liabilities:</b>							
Due to other funds	1,553	-	-	-	-	-	1,553
Accounts payable and other liabilities	(22,882)	-	-	-	-	1,761	(21,121)
Wages and withholdings payable	(1,925)	-	-	-	-	-	(1,925)
Compensated absences payable	494	-	-	-	-	-	494
Total adjustments	<u>748,914</u>	<u>298,952</u>	<u>13,891</u>	<u>42,150</u>	<u>821</u>	<u>(25,368)</u>	<u>1,079,360</u>
Net cash provided (used) by operating activities	<u>\$ 1,050,817</u>	<u>\$ 329,338</u>	<u>\$ (3,160)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,128</u>	<u>\$ 1,426,123</u>
<b>Noncash investing, capital and financing activities:</b>							
Transfer out	\$ -	\$ -	\$ -	\$ -	\$ (51,320,180)	\$ -	\$ (51,320,180)

CITY OF FORT WAYNE  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For The Year Ended December 31, 2012

	Self Insurance	Garage	Totals
Cash flows from operating activities:			
Receipts from customers and users	\$ 31,108,807	\$ 7,367,361	\$ 38,476,168
Payments to suppliers	(31,578,045)	(7,126,046)	(38,704,091)
Payments to employees	(508,172)	(234,045)	(742,217)
Net cash provided (used) by operating activities	(977,410)	7,270	(970,140)
Cash flows from noncapital financing activities:			
Transfer from other funds	1,400,000	-	1,400,000
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	(56,000)	(56,000)
Principal paid on capital debt	-	(13,734)	(13,734)
Net cash used by capital and related financing activities	-	(69,734)	(69,734)
Cash flows from investing activities:			
Investment income received	2,944	70	3,014
Net increase (decrease) in cash and cash equivalents	425,534	(62,394)	363,140
Cash and cash equivalents, January 1	3,147,916	332,881	3,480,797
Cash and cash equivalents, December 31	\$ 3,573,450	\$ 270,487	\$ 3,843,937
Reconciliation of operating loss to net cash provided (used) by operating activities:			
Operating loss	\$ (1,084,262)	\$ (40,284)	\$ (1,124,546)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Nonoperating revenue	136,747	7,548	144,295
Depreciation expense	-	40,740	40,740
(Increase) decrease in assets:			
Miscellaneous receivable	(359,399)	(1,521)	(360,920)
Due from other funds	(17,345)	25,761	8,416
Inventories	-	11,006	11,006
Prepaid expenses	(161)	(75)	(236)
Increase (decrease) in liabilities:			
Accounts payable and other liabilities	820,935	(28,917)	792,018
Due to other funds	(250)	(6,084)	(6,334)
Wages and withholdings payable	(3,803)	(4,899)	(8,702)
Accrued group insurance benefits	(470,522)	-	(470,522)
Compensated absences payable	650	3,995	4,645
Total adjustments	106,852	47,554	154,406
Net cash provided (used) by operating activities	\$ (977,410)	\$ 7,270	\$ (970,140)

## Non-major Fiduciary Funds

**Pension Trust Funds** – used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans. The City maintains the following non-major pension trust funds:

**Fire Pension** – to account for the provision of retirement and disability benefits to firefighters hired prior to May 1, 1977.

**Police Pension** – to account for the provision of retirement and disability benefits to police officers hired prior to May 1, 1977.

**Sanitary Officers' Pension** – to account for the provision of retirement and disability benefits to employees of the County Health departments.

**Agency Funds** – used to account for resources that are custodial in nature. They generally are amounts held by the City on behalf of third parties. The City maintains the following non-major agency funds.

**FWNP Program** – to account for housing rehab loans turned over to the City by Fort Wayne Neighborhood Partnership.

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF NET POSITION  
 PENSION TRUST FUNDS  
 December 31, 2012

	Pension Trust Funds			
	Fire Pension	Police Pension	Sanitary Officers' Pension	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 650,670	\$ 1,058,586	\$ 134,058	\$ 1,843,314
Receivables:				
Taxes	-	-	18,277	18,277
Total assets	650,670	1,058,586	152,335	1,861,591
<u>Liabilities</u>				
Accounts payable	14,861	24,564	1,272	40,697
<u>Net position</u>				
Net position held in trust for:				
Employees' pension benefits	\$ 635,809	\$ 1,034,022	\$ 151,063	\$ 1,820,894

CITY OF FORT WAYNE  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2012

	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Sanitary Officers' Pension</u>	<u>Totals</u>
<u>Additions</u>				
Contributions:				
Employer	\$ 7,094,662	\$ 7,788,149	\$ 405,925	\$ 15,288,736
Plan members	-	125	-	125
Other	-	10,986	-	10,986
Investment income:				
Interest	838	1,393	211	2,442
Total additions	<u>7,095,500</u>	<u>7,800,653</u>	<u>406,136</u>	<u>15,302,289</u>
<u>Deductions</u>				
Benefits and refunds paid to plan members and beneficiaries	7,262,880	8,603,645	465,922	16,332,447
Administrative expenses	21,795	16,012	4,378	42,185
Total deductions	<u>7,284,675</u>	<u>8,619,657</u>	<u>470,300</u>	<u>16,374,632</u>
Changes in net position	(189,175)	(819,004)	(64,164)	(1,072,343)
Net position - beginning	824,984	1,853,026	215,227	2,893,237
Net position - ending	<u>\$ 635,809</u>	<u>\$ 1,034,022</u>	<u>\$ 151,063</u>	<u>\$ 1,820,894</u>

CITY OF FORT WAYNE  
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2012

	<u>FWNP Program</u>
Assets:	
Cash and cash equivalents - January 1, 2012	\$ 7,082
Additions	6,143
Deductions	<u>(13,225)</u>
Cash and cash equivalents - December 31, 2012	<u>-</u>
Other assets - January 1, 2012	15,718
Additions	35,260
Deductions	<u>(19,822)</u>
Other assets - December 31, 2012	<u>31,156</u>
Total assets - December 31, 2012	<u>\$ 31,156</u>
Liabilities:	
Payables - January 1, 2012	\$ 22,800
Additions	12,138
Deductions	<u>(3,782)</u>
Payables - December 31, 2012	<u>31,156</u>
Total liabilities - December 31, 2012	<u>\$ 31,156</u>

# STATISTICAL SECTION



## Statistical Section

This part of the City of Fort Wayne's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the Financial Statements, Note Disclosures, and Required Supplementary Information says about the overall financial health of Fort Wayne.

### Contents

### Schedule

#### **Financial Trends**

These schedules contain trend information to help the reader understand how Fort Wayne's financial performance and well-being has changed over time.

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#### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting Fort Wayne's ability to generate its property taxes.

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9, 10

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of Fort Wayne's current levels of outstanding debt and the city's ability to issue additional debt in the future.

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#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which Fort Wayne's financial activities take place and to help make comparisons over time and with other governments.

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#### **Operating Information**

These schedules contain information about Fort Wayne's operations and resources to help the reader understand how the city's financial information relates to the services Fort Wayne provides and the activities it performs.

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**Schedule 1**  
**City of Fort Wayne**  
**Net Position by Component,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Invested in capital position, net of related debt	\$ 474,569,833	\$ 508,789,081	\$ 458,516,651	\$ 533,702,894	\$ 589,350,242	\$ 607,547,297	\$ 618,276,569	\$ 620,124,839	\$ 621,722,108	\$ 599,663,536
Restricted	(65,058,338)	-	-	-	-	-	-	-	-	-
Unrestricted	47,479,838	(23,697,714)	19,367,230	26,886,506	(2,400,493)	360,631	88,388,510	(17,889,370)	(9,568,045)	46,361,334
Total governmental activities net position	\$ 456,991,333	\$ 485,091,367	\$ 477,883,881	\$ 560,589,400	\$ 586,949,749	\$ 607,907,928	\$ 706,665,079	\$ 602,235,469	\$ 612,154,063	\$ 646,024,870
<b>Business-type activities</b>										
Invested in capital position, net of related debt	\$ 303,383,318	\$ 328,189,954	\$ 349,671,981	\$ 320,404,006	\$ 386,420,190	\$ 402,815,943	\$ 414,351,923	\$ 411,514,334	\$ 417,438,607	\$ 428,453,754
Restricted	43,828,934	46,047,504	46,839,484	96,920,622	110,423,778	43,201,025	51,704,050	56,344,015	68,706,901	35,726,314
Unrestricted	25,694,838	14,607,656	14,560,385	9,776,256	(48,810,671)	8,706,741	5,788,191	21,000,124	28,229,967	24,454,318
Total business-type activities net position	\$ 372,907,090	\$ 388,845,114	\$ 411,071,850	\$ 427,100,884	\$ 448,033,297	\$ 454,723,709	\$ 471,844,164	\$ 488,858,473	\$ 514,375,475	\$ 488,634,386
<b>Primary government</b>										
Invested in capital position, net of related debt	\$ 777,953,151	\$ 836,979,035	\$ 808,188,632	\$ 854,106,900	\$ 975,770,432	\$ 1,010,363,240	\$ 1,032,628,492	\$ 1,031,639,173	\$ 1,039,160,715	\$ 1,028,117,290
Restricted	(21,229,404)	46,047,504	46,839,484	96,920,622	110,423,778	43,201,025	51,704,050	56,344,015	68,706,901	35,726,314
Unrestricted	73,174,676	(9,090,058)	33,927,615	36,662,762	(51,211,164)	9,067,372	94,176,701	3,110,754	18,661,922	70,815,652
Total primary government net position	\$ 829,898,423	\$ 873,936,481	\$ 888,955,731	\$ 987,690,284	\$ 1,034,983,046	\$ 1,062,631,637	\$ 1,178,509,243	\$ 1,091,093,942	\$ 1,126,529,538	\$ 1,134,659,256

Note: The City of Fort Wayne fully implemented GASB Statement 34 in 2002.

**Schedule 2**  
**City of Fort Wayne**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Expenses</b>										
Governmental activities:										
General government	\$ 32,060,690	\$ 33,415,208	\$ 36,908,051	\$ 34,267,228	\$ 43,293,115	\$ 46,912,125	\$ 42,499,929	\$ 54,270,711	\$ 37,750,405	\$ 56,624,948
Public safety	91,028,917	(A) 80,775,673	80,640,428	85,874,761	73,322,973	89,437,205	91,472,609	88,538,736	99,719,439	117,073,744
Highways and streets	21,542,069	16,275,839	15,420,566	16,622,514	18,421,359	16,182,347	15,232,445	15,067,481	20,364,096	25,361,212
Sanitation	2,416	11,650	3,200	-	-	-	-	-	-	-
Health and welfare	1,874,292	1,978,936	1,913,439	2,048,561	2,061,814	2,241,770	2,208,504	2,293,273	2,360,378	2,427,916
Economic opportunity	537,038	539,527	563,393	633,818	676,725	581,361	614,539	629,750	853,216	859,447
Economic development	12,224,524	12,807,160	17,909,374	14,280,814	16,881,190	14,195,896	21,003,458	20,071,592	21,446,449	14,169,803
Culture and recreation	15,503,106	15,208,568	14,055,443	15,147,975	16,713,524	18,464,611	16,239,119	16,145,659	16,310,730	16,911,849
Urban redevelopment and housing	8,018,354	7,725,149	10,420,374	12,274,740	13,925,691	9,880,650	11,556,347	16,067,339	15,349,620	13,261,916
Capital outlay	-	2,343,378	3,275,178	3,345,188	5,059,418	4,897,612	6,595,660	8,561,047	8,003,142	7,570,378
Interest on long-term debt	-	171,081,088	181,109,446	184,495,599	190,356,549	202,793,577	207,422,610	221,645,588	222,157,475	254,261,213
Total governmental activities expenses	\$ 182,791,406	\$ 226,503,934	\$ 238,274,780	\$ 249,806,132	\$ 259,074,805	\$ 275,799,578	\$ 284,648,605	\$ 300,661,802	\$ 305,323,267	\$ 339,602,075
Business-type activities:										
Water	19,640,535	20,118,692	20,937,933	22,097,610	23,967,328	25,534,359	27,115,430	28,536,908	30,172,661	30,861,585
Wastewater	20,479,191	21,581,577	22,897,615	25,818,890	25,070,120	27,108,486	30,155,146	32,286,367	35,442,210	36,861,668
Stormwater	4,722,977	5,129,101	5,455,740	6,790,476	8,524,119	9,297,028	8,814,871	6,726,323	6,644,746	6,340,243
Parking garages	930,172	1,066,214	872,193	856,677	870,496	1,103,152	927,160	962,090	1,031,575	840,032
Solid waste	6,639,150	6,620,643	6,433,915	9,198,279	9,685,013	9,173,713	9,421,139	9,176,636	9,537,722	10,302,317
Other	510,025	906,619	567,938	548,601	601,180	789,263	792,249	1,327,890	342,878	135,017
Total business-type activities expenses	\$ 52,922,050	\$ 55,422,846	\$ 57,165,334	\$ 65,310,533	\$ 68,718,256	\$ 73,006,001	\$ 77,225,995	\$ 79,016,214	\$ 83,171,792	\$ 85,340,862
Total primary government expenses	\$ 235,713,456	\$ 281,926,780	\$ 295,440,114	\$ 315,116,665	\$ 327,789,060	\$ 348,805,579	\$ 361,874,600	\$ 379,678,016	\$ 388,505,059	\$ 424,942,937
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 25,809,371	\$ 26,065,716	\$ 14,782,844	\$ 16,928,556	\$ 15,541,243	\$ 19,576,653	\$ 16,211,704	\$ 17,921,175	\$ 18,866,514	\$ 20,022,851
Public safety	1,033,709	1,084,587	1,794,739	1,998,386	3,669,870	3,466,134	2,784,920	3,187,197	2,131,190	4,556,089
Highways and streets	3,788,484	2,749,257	4,731,776	1,927,137	2,796,825	2,527,736	3,534,887	3,143,593	2,913,768	4,989,382
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and welfare	354,641	369,635	415,067	410,062	402,630	415,483	-	389,397	392,683	351,282
Economic opportunity	-	750	9,500	-	9,500	-	-	-	-	-
Economic development	515,399	412,003	291,359	272,422	294,763	238,750	358,399	22,014	2,540	4,556
Culture and recreation	4,542,137	4,919,555	5,039,482	4,095,331	3,629,892	3,912,244	3,420,932	3,181,970	3,325,834	3,390,634
Urban redevelopment and housing	62,746	67,143	83,523	84,484	191,034	35,873	585,935	976,603	1,968,975	1,938,820
Capital outlay	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	21,983,897	20,073,260	19,726,510	24,136,110	29,823,769	26,297,770	26,007,077	28,849,624	24,575,372	28,574,586
Capital grants and contributions	-	-	83,827,988	83,827,988	-	-	-	-	-	-
Total governmental activities program revenues	\$ 58,100,384	\$ 55,741,906	\$ 46,874,800	\$ 133,680,476	\$ 56,350,026	\$ 66,470,643	\$ 52,903,314	\$ 57,671,573	\$ 54,176,876	\$ 63,828,200
Business-type activities:										
Charges for services:										
Water	24,049,050	24,006,361	24,840,923	25,849,920	30,122,226	31,592,716	31,275,117	33,511,691	33,299,143	33,483,078
Wastewater	28,386,482	29,123,296	30,797,618	28,495,423	34,681,439	34,108,946	36,112,762	42,532,710	51,105,546	52,708,121
Stormwater	5,063,904	5,242,971	5,842,887	9,440,089	9,386,794	9,639,442	9,838,056	9,656,494	10,866,155	9,765,631
Parking garages	972,866	890,030	814,664	824,206	941,558	846,423	936,653	886,718	853,578	750,755
Solid waste	6,397,489	6,763,694	8,090,087	9,179,821	9,191,668	10,756,633	10,769,150	10,868,182	10,888,565	10,533,360
Other	1,859,519	1,831,641	1,835,883	1,928,780	1,847,590	1,880,703	1,903,148	1,901,300	153,582	208,686
Operating grants and contributions	7,451,375	4,237,355	7,657,241	4,812,222	2,261,521	4,042,688	2,051,375	1,145,028	8,807,876	2,553,796
Capital grants and contributions	74,180,705	72,095,348	79,879,303	80,530,461	88,432,796	92,867,551	92,886,261	100,502,123	115,974,445	110,003,427
Total business-type activities program revenues	\$ 132,281,089	\$ 127,837,254	\$ 126,754,103	\$ 214,210,937	\$ 144,782,822	\$ 149,338,194	\$ 145,789,575	\$ 158,173,696	\$ 170,151,321	\$ 173,831,627
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (124,691,022)	\$ (115,339,182)	\$ (134,234,646)	\$ (50,815,123)	\$ (134,006,523)	\$ (146,322,934)	\$ (154,519,296)	\$ (163,974,015)	\$ (167,980,599)	\$ (190,433,013)
Business-type activities	21,258,655	16,672,502	22,713,969	15,219,928	19,714,540	19,861,550	15,660,266	21,485,909	32,802,653	24,662,565
Total primary government net expense	\$ (103,432,367)	\$ (98,666,680)	\$ (111,520,677)	\$ (35,595,195)	\$ (114,291,983)	\$ (126,461,384)	\$ (138,859,030)	\$ (142,488,106)	\$ (135,177,946)	\$ (165,770,448)

Continued on next page

**Schedule 2**  
**City of Fort Wayne**  
**Changes in Net Position,**  
**Last Ten Fiscal Years**  
*(accrual basis of accounting)*

**FISCAL YEAR**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property Taxes	\$ 59,519,121	\$ 80,344,000	(e) \$ 76,008,208	\$ 81,710,470	\$ 101,530,616	\$ 101,143,807	\$ 106,258,189	\$ 101,740,994	\$ 102,373,455	\$ 101,741,414
CEDT	14,514,745	15,830,142	16,206,853	18,559,384	22,639,824	26,043,765	21,597,717	13,152,138	30,609,528	21,325,013
Shared revenues	-	-	-	-	-	-	10,598,990	12,343,443	12,815,920	12,371,147
Other tax	18,754,745	18,222,124	23,368,053	19,465,162	22,721,936	25,611,516	14,657,823	8,176,180	18,747,296	13,602,411
Grants and contributions not restricted to a specific program	14,086,020	20,608,081	-	-	-	-	-	-	-	-
Unrestricted investment earnings	655,507	538,372	2,057,818	3,501,707	2,648,235	1,203,254	133,281	192,071	134,828	2,087,098
Refunds and reimbursements	783,150	239,812	551,582	676,499	554,435	447,443	-	-	-	-
Other	2,739,993	3,678,570	4,564,806	4,538,422	5,329,916	7,420,643	5,001,387	4,265,209	5,643,312	4,964,340
Transfers	4,691,782	3,978,115	4,269,840	5,068,998	4,941,910	5,410,685	5,913,483	7,971,274	7,574,854	69,181,442
Special items:										
Net pension obligation	-	143,439,216	127,027,160	133,520,642	160,366,872	167,281,113	-	147,841,309	177,899,193	225,272,865
Total governmental activities	115,755,063	143,439,216	127,027,160	133,520,642	160,366,872	167,281,113	164,160,870	147,841,309	177,899,193	225,272,865
Business-type activities:										
Unrealized gain	3,385,848	1,505,331	-	-	-	-	-	-	-	-
Unrestricted investment earnings	1,711,378	1,584,415	3,745,919	5,871,663	6,925,750	(7,760,453)	7,369,457	4,335,200	289,203	185,718
Other	19,767	153,891	36,688	6,441	-	-	4,215	(835,526)	-	-
Transfers	(4,691,782)	(3,978,115)	(4,269,840)	(5,068,998)	(4,941,910)	(5,410,685)	(5,913,483)	(7,971,274)	(7,574,854)	(69,181,442)
Special items:										
Loss on abandonment	(1,940,334)	-	-	-	(765,967)	-	-	-	-	-
Change in accounting estimate	-	-	-	-	-	-	-	-	-	-
Unrealized loss	-	-	-	-	-	-	-	-	-	-
Total business-type activities	(1,515,123)	(734,478)	(487,233)	809,106	1,217,873	(13,171,138)	1,460,189	(4,471,600)	(7,285,651)	(68,985,724)
Total primary government	\$ 114,239,940	\$ 142,704,738	\$ 126,539,927	\$ 134,329,748	\$ 161,584,745	\$ 154,109,975	\$ 165,621,059	\$ 143,369,709	\$ 170,613,542	\$ 156,277,141
<b>Change in Net Position</b>										
Governmental activities	\$ (8,935,959)	\$ 28,100,034	\$ (7,207,486)	\$ 82,705,519	(c) \$ 26,360,349	\$ 20,958,179	\$ 9,641,574	\$ (16,132,706)	\$ 9,918,594	\$ 34,839,852
Business-type activities	19,743,532	15,938,024	22,226,736	16,029,034	20,932,413	6,890,412	17,120,455	17,014,309	25,517,002	(44,333,159)
Total primary government	\$ 10,807,573	\$ 44,038,058	\$ 15,019,250	\$ 98,734,553	\$ 47,292,762	\$ 27,848,591	\$ 28,762,029	\$ 881,603	\$ 35,435,596	\$ (9,493,307)

(A) Increase in 2003 is mainly due to the staffing of two new fire stations in preparation for 2004 annexations.  
(B) Increase from 2003 to 2004 is due to the reassessment in 2003 and the annexations that became effective in 2004.  
(C) Increase from 2005 to 2006 is mainly due to the annexation of Aboite township, which resulted in additional road infrastructure.

Note: The City of Fort Wayne fully implemented GASB Statement 34 in 2002.

Schedule 3  
City of Fort Wayne  
Fund Balances, Governmental Funds,  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund	\$ 873,348	\$ 833,316	\$ 370,046	\$ 567,547	\$ 773,156	\$ 441,349	\$ 237,956	\$ 771,329	\$ 1,770,101	\$ 729,060
Reserved	3,296,417	9,730,849	12,332,693	10,430,841	13,748,285	17,523,205	22,120,466	19,700,924	17,114,010	7,513,607
Unreserved	\$ 4,169,765	\$ 10,564,165	\$ 12,702,739	\$ 10,998,388	\$ 14,521,441	\$ 17,964,554	\$ 22,358,422	\$ 20,472,253	\$ 18,884,111	\$ 8,242,667
Total general fund	\$ 11,616,607	\$ 18,881,377	\$ 18,039,151	\$ 17,005,413	\$ 35,711,349	\$ 23,859,569	\$ 40,286,861	\$ 38,984,950	\$ 29,682,641	\$ 161,865,878
All Other Governmental Funds										
Reserved	7,178,464	9,288,118	20,971,859	16,538,405	15,149,846	21,134,098	20,360,573	10,605,142	12,980,544	(3,475)
Unreserved, reported in:									(1,157,860)	(1,735,577)
Special revenue funds	25,213,460	19,499,885	59,135,314	75,742,600	35,469,432	41,320,714	54,296,240	44,775,635	51,603,195	-
Debt service funds	\$ 44,008,531	\$ 47,669,380	\$ 98,146,324	\$ 109,286,418	\$ 86,330,627	\$ 86,314,381	\$ 114,943,674	\$ 94,365,727	\$ 93,108,520	\$ 160,126,826
Capital projects funds										
Total all other governmental funds	\$ 48,178,296	\$ 58,233,545	\$ 110,849,063	\$ 120,284,806	\$ 100,852,068	\$ 104,278,935	\$ 137,302,096	\$ 114,837,980	\$ 111,992,631	\$ 168,369,493

Note: The City of Fort Wayne fully implemented GASB Statement 34 in 2002.

**Schedule 4**  
**City of Fort Wayne**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Revenues</b>										
Taxes	\$ 84,442,388	\$ 124,763,838	\$ 115,506,409	\$ 121,346,167	\$ 143,367,188	\$ 150,144,132	\$ 159,225,133	\$ 137,255,522	\$ 161,905,901	\$ 154,014,688
Special assessments	1,882,144	1,467,452	884,628	624,104	1,100,821	2,624,496	518,243	370,683	220,531	616,344
Licenses and permits	2,512,925	2,518,200	2,551,928	2,770,726	2,918,642	3,104,693	3,297,008	3,436,698	3,340,956	3,373,964
Intergovernmental	17,306,137	16,030,237	21,293,218	20,655,668	21,024,827	21,153,423	20,762,071	24,789,823	22,895,276	22,569,745
Charges for services	9,556,187	8,934,918	11,588,833	11,391,877	11,829,982	13,552,905	12,504,176	11,534,926	9,451,477	12,896,865
Fines and forfeits	1,765,081	1,835,584	1,782,439	2,086,280	2,235,376	2,739,687	1,628,997	1,259,583	1,923,258	2,154,282
Other revenues	8,392,607	5,478,327	7,922,217	9,810,233	11,808,418	7,956,694	6,316,881	6,811,929	7,944,386	12,876,247
<b>Total revenues</b>	<b>\$ 125,857,469</b>	<b>\$ 161,028,556</b>	<b>\$ 161,529,672</b>	<b>\$ 168,685,055</b>	<b>\$ 194,285,254</b>	<b>\$ 201,276,030</b>	<b>\$ 204,252,509</b>	<b>\$ 185,459,164</b>	<b>\$ 207,681,785</b>	<b>\$ 206,502,135</b>
<b>Expenditures</b>										
General government	11,857,168	12,428,283	12,783,421	14,304,380	16,778,706	16,705,755	18,018,850	20,565,280	16,862,976	18,541,886
Public safety	67,994,305	71,167,443	75,850,684	81,888,043	88,331,161	96,522,275	92,779,336	94,456,145	96,714,372	100,799,538
Highways and streets	20,842,092	20,435,369	19,297,784	19,156,312	21,605,191	21,614,732	23,233,485	21,498,417	24,199,424	28,789,645
Sanitation	2,416	11,650	3,200	-	-	-	-	-	-	-
Health and welfare	1,833,456	1,948,213	2,091,874	2,277,770	2,455,757	2,640,100	2,673,814	2,719,563	2,813,251	2,914,915
Economic opportunity	537,038	539,527	563,393	633,818	676,725	581,361	614,539	629,750	853,216	859,447
Economic development	3,185,647	2,989,073	3,011,176	2,374,777	2,613,308	2,974,721	4,768,443	4,485,927	6,287,472	4,545,413
Culture and recreation	16,148,620	17,818,095	15,699,132	17,411,791	20,682,816	20,278,971	17,043,814	16,816,035	17,454,015	16,616,587
Urban redevelopment and housing	3,092,572	8,176,225	11,543,846	13,245,625	23,873,279	27,706,283	12,265,364	15,584,714	12,455,659	13,512,729
Capital outlay	26,778,874	15,721,064	24,634,068	29,176,837	43,204,117	25,525,070	63,656,899	24,255,712	30,793,392	19,108,837
Debt service										
Principal	5,317,097	7,929,184	7,207,598	8,250,899	9,105,532	12,958,615	10,170,000	11,450,000	10,716,170	12,110,000
Interest	1,620,950	1,440,734	2,825,005	3,944,739	4,221,037	4,119,238	5,432,408	7,633,011	7,152,041	6,709,179
Bond issuance costs	101,653	-	1,275,140	493,419	-	-	68,471	-	-	-
<b>Total expenditures</b>	<b>159,311,888</b>	<b>160,604,860</b>	<b>176,786,321</b>	<b>193,158,410</b>	<b>233,547,629</b>	<b>231,627,121</b>	<b>250,725,423</b>	<b>220,094,554</b>	<b>226,301,988</b>	<b>224,508,176</b>
Excess of revenues over (under) expenditures	(33,454,419)	423,696	(15,256,649)	(24,473,355)	(39,262,375)	(30,351,091)	(46,472,914)	(34,635,390)	(18,620,203)	(16,006,041)

Continued on next page

**Schedule 4**  
**City of Fort Wayne**  
**Changes in Fund Balances, Governmental Funds,**  
**Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Other Financing Sources (Uses)</b>										
Transfers in	23,492,170	16,297,753	17,811,315	29,753,688	24,523,935	29,538,091	31,104,814	37,150,609	35,527,229	90,080,123
Transfers out	(18,800,388)	(12,341,200)	(13,550,782)	(24,699,590)	(19,382,025)	(24,167,406)	(26,391,331)	(29,179,335)	(27,952,375)	(22,298,681)
Bonds issued	-	-	59,215,000	20,825,000	-	-	49,595,000	-	-	-
Premium on bond issuance	-	-	453,094	-	-	-	237,467	-	-	-
Discount on bonds sold	-	-	-	-	-	-	(528,731)	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(3,056,144)	-	-	-
First mortgage bonds issued	6,781,384	-	-	-	-	-	-	-	-	-
First mortgage bond payments	(6,655,000)	-	-	-	-	-	-	-	-	-
Revenue bonds issued	-	-	-	-	-	-	-	-	-	-
Loans issued	-	-	-	1,500,000	-	9,850,000	-	-	-	-
Bond anticipation note issued	-	-	-	-	-	-	-	-	-	-
Capital leases	2,900,000	5,675,000	3,943,540	8,030,000	13,387,727	18,557,273	28,535,000	4,200,000	8,200,000	5,570,506
Total other financing sources (uses)	7,718,166	9,631,553	67,872,167	33,909,098	19,829,637	33,777,958	79,496,075	12,171,274	15,774,854	73,351,948
Net change in fund balances	\$ (25,736,253)	\$ 10,055,249	\$ 52,615,518 (A)	\$ 9,435,743	\$ (19,432,738)	\$ 3,426,867	\$ 33,023,161 (B)	\$ (22,464,116)	\$ (2,845,349)	\$ 57,345,907

Debt service as a percentage of noncapital expenditures	5.6%	6.8%	6.8%	7.8%	7.6%	8.6%	10.3%	10.1%	9.4%	9.6%
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(A) The increase in fund balances from governmental funds in 2005 was the result of three major bond issues.  
(B) The increase in fund balances from governmental funds in 2009 was the result of two major bond issues.

Note: The City of Fort Wayne fully implemented GASB Statement 34 in 2002.

**Schedule 5**  
**City of Fort Wayne**  
**Tax Revenues by Source, Governmental Funds,**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	(A) <u>General Property</u>	<u>Excise</u>	<u>Wheel</u>	<u>Financial Institution</u>	<u>COIT</u>	(B) <u>CEDIT</u>	(C) <u>CRED</u>	<u>Total</u>
2003	47,977,202	5,740,641	1,760,953	772,984	10,703,146	17,487,462		84,442,388
2004	90,767,526	5,087,183	1,853,777	746,630	10,478,580	15,830,142		124,763,838
2005	77,055,981	6,072,381	1,837,641	721,706	13,611,847	16,206,853		115,506,409
2006	82,206,070	6,040,667	1,889,604	697,578	11,929,264	18,582,984		121,346,167
2007	100,296,860	7,226,724	1,993,311	701,520	11,971,510	21,177,263		143,367,188
2008	103,507,348	7,430,416	2,294,080	749,778	13,270,484	22,892,026		150,144,132
2009	105,390,737	7,367,276	2,197,107	719,430	17,338,565	26,212,018		159,225,133
2010	102,628,121	7,323,046	4,276,697	699,339	8,176,180	14,152,138		137,255,522
2011	102,997,748	7,541,737	4,360,311	707,531	16,936,027	28,362,547	1,000,000	161,905,901
2012	101,752,044	7,587,261	4,566,893	687,052	14,725,753	22,945,684	1,750,000	154,014,688

( A ) Includes taxes on both real and personal property.

( B ) The first revenue from the County Economic Development Income Tax was received in June of 1994. The tax was effective July 1, 1993.

( C ) The first revenue from the Community Revitalization Enhancement District Tax (CRED) was received in November 2007.

NOTE: For the years 2007-2010 the CRED Taxes were included in the CEDIT amount.

Source: City of Fort Wayne Statement of Revenues, Expenditures and Changes in Fund Balances. While the Statement of Revenues list total tax revenue, the sources were itemized for this schedule.

**Schedule 6**  
**City of Fort Wayne**  
**Property Tax Levies and Collections,**  
**Last Ten Fiscal Years for Allen County**

<b><u>Tax Collections Measurement:</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
Total Tax Levy	\$ 324,449,495	\$ 316,973,671	\$ 319,525,460	\$ 337,853,052	\$ 468,378,102
Current Tax Collections	\$ 313,264,561	\$ 306,407,599	\$ 307,284,280	\$ 322,439,869	\$ 454,185,187
Percent of Levy Collected	96.55%	96.67%	96.17%	95.44%	96.97%
Delinquent Tax Collections	\$ 9,423,276	\$ 7,492,374	\$ 5,437,834	\$ 12,026,170	\$ 10,843,230
Total Tax Collections	\$ 322,687,836	\$ 313,899,973	\$ 312,722,114	\$ 334,466,039	\$ 465,028,417
Percent of Total Tax Collections to Levy	99.46%	99.03%	97.87%	99.00%	99.28%
Outstanding Delinquent Taxes	\$ 14,007,744	\$ 13,781,018	\$ 15,892,667	\$ 19,209,633	\$ 18,780,143
Percent of Delinquent Taxes to Levy	4.32%	4.35%	4.97%	5.69%	4.01%

<b><u>Tax Collections Measurement:</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>	<b><u>2004</u></b>	<b><u>2003</u></b>
Total Tax Levy	\$ 450,324,056	\$ 423,667,496	\$ 404,939,852	\$ 392,189,991	\$ 352,474,267
Current Tax Collections	\$ 433,282,315	\$ 411,472,985	\$ 392,526,880	\$ 377,612,575	\$ 341,253,361
Percent of Levy Collected	96.22%	97.12%	96.93%	96.28%	96.82%
Delinquent Tax Collections	\$ 16,618,199	\$ 9,072,693	\$ 6,754,184	\$ 4,320,258	\$ 10,779,907
Total Tax Collections	\$ 449,900,514	\$ 420,545,678	\$ 399,281,064	\$ 381,932,833	\$ 352,033,268
Percent of Total Tax Collections to Levy	99.91%	99.26%	98.60%	97.38%	99.87%
Outstanding Delinquent Taxes	\$ 23,314,369	\$ 15,360,588	\$ 16,878,058	\$ 22,056,911	\$ 14,866,299
Percent of Delinquent Taxes to Levy	5.18%	3.63%	4.17%	5.62%	4.22%

Source: Allen County Auditor's Office

Note: GASB Statement 44 requires that the information in this schedule be shown for each "period for which levied" as defined in Statement 33. However, the information needed for this schedule is not available from the County Auditor's office at this time. Therefore, the City has presented this information in the prior year format. The City of Fort Wayne does not maintain records of tax delinquencies. All taxes are collected and distributed by the Allen County Auditor.

**Schedule 7  
City of Fort Wayne  
Assessed Value and Actual Value of Taxable Property,  
Last Ten Fiscal Years**

<u>Year (A)</u>	<u>Assessed Valuation (B)</u>	<u>Estimated Actual Value (C)</u>	<u>Total Direct Tax Rate</u>	<u>Percent Increase (D)</u>
2012	8,062,225,389	8,062,225,389	1.3274	-0.81%
2011	8,128,378,487	8,128,378,487	1.3149	-4.55%
2010	8,515,625,766	8,515,625,766	1.2238	-2.26%
2009	8,712,264,335	8,712,264,335	1.1515	-13.52%
2008	10,074,509,442	10,074,509,442	0.9941	2.55%
2007	9,824,189,539 (E)	9,824,189,539	1.0195	27.35%
2006	7,714,274,681	7,714,274,681	1.0795	3.14%
2005	7,479,525,039	7,479,525,039	1.0460	-5.48%
2004	7,913,564,614	7,913,564,614	0.9421	6.49%
2003	7,431,358,261	7,431,358,261	0.8846	32.55%

**Average Annual Rate of Increase: 0.91%**

- (A) A reassessment was completed in 2002 that is reflected in the values for 2003 - 2006.
- (B) Assessed values for personal property are updated annually.
- (C) Assessed value reflects actual value.
- (D) Change in assessed valuation.
- (E) A portion of Aboite Township and Wayne Township was annexed into the City of Fort Wayne on January 1, 2006.

Note: GASB Statement 44 has called for a new report on the assessed values that breaks the total value into major components such as residential, commercial and industrial property as well as any adjustments and credits. At the time of CAFR production, this information is not available from the County Auditor's office. Therefore, the City has presented this information in the prior year format.

**Schedule 8**  
**City of Fort Wayne**  
**Direct and Overlapping Property Tax Rates,**  
**Last Ten Fiscal Years**  
*(rate per \$100 of assessed value)*

Fiscal Year	City of Fort Wayne											Overlapping Rates (B)				
	General Fund Rate	Debt Service Rate	Fire Pension Rate	Police Pension Rate	Sanitary Officers Pension Rate	Community Services Rate	Abandoned Vehicles Rate	Fire Rate	Park Rate	Redevelopment General Rate	Tax (D) Increment Replacement Rate	(A) Total City	(B, C) Municipal Corporations	(B, C) School Districts	Allen County	(B, C) Townships and Other
2002	0.5288	-	0.0233	0.0155	0.0069	0.0001	0.0005	0.4157	0.1146	0.0046	-	1.1100	0.2658	1.6064	0.5685	0.0966
2003	0.4275	-	0.0160	0.0188	0.0028	0.0001	-	0.3066	0.1023	0.0038	0.0067	0.8846	0.2026	1.2566	0.4229	0.0757
2004	0.4477	-	0.0264	0.0296	0.0053	0.0001	-	0.3313	0.0973	0.0044	-	0.9421	0.2007	1.4306	0.4746	0.0747
2005	0.5158	-	0.0272	0.0370	0.0059	0.0000	-	0.3613	0.0939	0.0049	-	1.0460	0.2206	1.4078	0.5452	0.1267
2006	0.5043	-	0.0367	0.0437	0.0059	0.0001	-	0.3765	0.1082	0.0041	-	1.0795	0.2243	1.4743	0.5675	0.0967
2007	0.5170	-	0.0443	0.0435	0.0042	0.0000	-	0.3128	0.0923	0.0054	-	1.0195	0.2078	1.3812	0.5331	0.0955
2008	0.5366	-	0.0229	0.0214	0.0040	0.0001	-	0.3130	0.0925	0.0036	0.0044	0.9865	0.2088	1.3540	0.5789	0.1020
2009	0.6539	-	0.0000	0.0000	0.0050	0.0001	-	0.3721	0.1150	0.0054	-	1.1515	0.2781	0.8294	0.4631	0.1344
2010	0.6905	-	0.0000	0.0000	0.0061	0.0001	-	0.3943	0.1264	0.0064	-	1.2238	0.2832	0.8271	0.5187	0.1175
2011	0.7400	-	0.0000	0.0000	0.0065	0.0001	-	0.4251	0.1361	0.0071	-	1.3149	0.2984	0.9000	0.5155	0.1302
2012	0.6666	-	0.0000	0.0000	0.0054	0.0001	-	0.4927	0.1557	0.0069	-	1.3274	0.3092	0.8527	0.5279	0.1365

(A) Obtained from the Budget Order (Fort Wayne Civil City).

(B) Overlapping rates are those of local and county governments that apply to property owners within the City of Fort Wayne. Not all overlapping rates apply to all Fort Wayne property owners.

(C) Obtained from the Allen County Auditor's Office and the various governmental units. The figures used for the municipal corporations, school districts, and townships represent citywide averages.

(D) Corrected the rate reported in the 2008 Schedule 8.

Source: From Published Rates for Wayne Township

Notes: The City's levy increases are limited to the 6-year average increase in Indiana personal income.

**Schedule 9  
City of Fort Wayne  
Principal Property Tax Payers,  
Current Year and Nine Years Ago**

<u>Taxpayer</u>	2012			2003		
	(A) Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	(B) Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
GGP - Glenbrook LLC	\$ 177,681,300	1	2.20%	--	--	--
IOM Health System LP (Lutheran Network)	143,186,140	2	1.78%	--	--	--
Frontier North Inc (Formerly GTE North/Verizon)	83,495,780	3	1.04%	--	--	--
Indiana Michigan Power Company (Formerly AEP)	80,675,600	4	1.00%	50,461,280	4	0.68%
Wal-Mart Stores East LP/Re Bus Tr	76,431,920	5	0.95%	36,019,530	7	0.48%
Frontier Communications Online & LD	73,817,380	6	0.92%	--	--	--
St Joseph Health System LLC	61,593,490	7	0.76%	38,631,100	6	0.52%
Regency Canterbury LP	58,262,300	8	0.72%	54,762,850	3	0.74%
IMI Jefferson Pointe LLC	51,509,600	9	0.64%	35,713,500	8	0.48%
Edward Rose of Indiana	45,689,850	10	0.57%	30,233,180	10	0.41%
Lake County Trust Co.	--	--	--	144,372,900	1	1.94%
Dana Corporation	--	--	--	69,721,950	2	0.94%
Sommerfeld Nicholas	--	--	--	48,964,800	5	0.66%
Meijer Stores LP	--	--	--	35,496,580	9	0.48%
<b>Total</b>	<b>\$ 852,343,360</b>		<b>10.57%</b>	<b>\$ 544,377,670</b>		<b>7.33%</b>

(A) Represents the taxable assessed valuations for taxes due and payable in 2012 within the corporation limits.

(B) Represents the taxable assessed valuations for taxes due and payable in 2003 within the corporation limits.

Source: Allen County Auditor's Office

Schedule 10  
City of Fort Wayne Utilities  
Water and Sewer Rates,  
Last Ten Fiscal Years

Fiscal Year	Water			Sewer			
	(Meter Use) Monthly Base Rate	Rate per 748 gallons (Up to 18,675 gallons)	Rate per 748 gallons (From 18,676 gallons to 89,640 gallons)	Monthly Base Rate	Rate per 748 gallons (Up to 18,675 gallons)	Rate per 748 gallons (From 18,676 gallons to 89,640 gallons)	Rate per 748 gallons (Over 89,640 gallons)
<b>Inside City</b>							
2003	5.84	1.19	1.06	2.22	1.94	1.94	1.94
2004	5.84	1.19	1.06	2.22	1.94	1.94	1.94
2005	5.84	1.19	1.06	2.22	1.94	1.94	1.94
1/1/06-8/31/06	5.84	1.19	1.06	2.22	1.94	1.94	1.94
9/1/06-12/31/06	7.30	1.49	1.33	2.22	1.94	1.94	1.94
1/1/07-2/28/07	7.30	1.49	1.33	2.22	1.94	1.94	1.94
3/1/07-12/31/07	7.30	1.49	1.33	2.78	2.43	2.43	2.43
2008	7.30	1.49	1.33	2.78	2.43	2.43	2.43
2009	7.30	1.49	1.33	2.78	2.43	2.43	2.43
2010	7.30	1.49	1.33	4.08	2.87	2.87	2.87
2011	7.30	1.49	1.33	4.69	3.30	3.30	3.30
1/1/12-6/30/12	7.30	1.49	1.33	5.21	3.66	3.66	3.66
7/1/12-12/31/12	7.30	1.49	1.33	5.68	3.99	3.99	3.99
<b>Outside City</b>							
2003	6.72	1.37	1.33	2.78	2.43	2.43	2.43
2004	6.72	1.37	1.33	2.78	2.43	2.43	2.43
2005	6.72	1.37	1.33	2.78	2.43	2.43	2.43
1/1/06-8/31/06	6.72	1.37	1.33	2.78	2.43	2.43	2.43
9/1/06-12/31/06	8.40	1.71	1.66	2.78	2.43	2.43	2.43
1/1/07-2/28/07	8.40	1.71	1.66	2.78	2.43	2.43	2.43
3/1/07-12/31/07	8.40	1.71	1.66	3.48	3.03	3.03	3.03
2008	8.40	1.71	1.66	3.48	3.03	3.03	3.03
2009	8.40	1.71	1.66	3.48	3.03	3.03	3.03
2010	8.40	1.71	1.66	5.10	3.59	3.59	3.59
2011	8.40	1.71	1.66	5.87	4.13	4.13	4.13
1/1/12-6/30/12	8.40	1.71	1.66	6.51	4.58	4.58	4.58
7/1/12-12/31/12	8.40	1.71	1.66	7.10	4.99	4.99	4.99

Source: City of Fort Wayne, City Utilities Accounting Department

Notes: Water rates are based on 5/8" meter, which is the standard household meter size. Sewer rates are based on non food handlers. Rates are billed per 100 cubic ft.. 100 cubic ft. is equivalent to 748 gallons.

The City of Fort Wayne fully implemented GASB Statement 34 in 2002.

Schedule 11  
City of Fort Wayne  
Legal Debt Margin Information,  
Last Ten Fiscal Years  
(dollars in thousands)

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>City of Fort Wayne</b>										
Debt Limit	\$ 49,542	\$ 52,757	\$ 49,863	\$ 51,428	\$ 65,495	\$ 67,163	\$ 58,082	\$ 56,771	\$ 54,189	\$ 53,748
Total net debt applicable to limit	21,370	17,100	38,240 (B)	33,690	29,585	25,305	50,565 (C)	45,185	42,005	38,695
Legal debt margin	\$ 28,172	\$ 35,657	\$ 11,623	\$ 17,738	\$ 35,910	\$ 41,858	\$ 7,517	\$ 11,586	\$ 12,184	\$ 15,053
Total net debt applicable to the limit as a percentage of debt limit	43.14%	32.41%	76.69%	65.51%	45.17%	37.68%	87.06%	79.59%	77.52%	71.99%
<b>Park District</b>										
Debt Limit	\$ 48,539	\$ 51,765	\$ 48,971	\$ 50,562	\$ 64,680	\$ 66,331	\$ 57,340	\$ 56,029	\$ 53,485	\$ 53,055
Total net debt applicable to limit	6,570	5,200	13,670 (B)	13,485	13,290	11,980	10,855	9,380	7,885	6,335
Legal debt margin	\$ 41,969	\$ 46,565	\$ 35,301	\$ 37,077	\$ 51,390	\$ 54,351	\$ 46,485	\$ 46,649	\$ 45,600	\$ 46,720
Total net debt applicable to the limit as a percentage of debt limit	13.54%	10.05%	27.91%	26.67%	20.55%	18.06%	18.93%	16.74%	14.74%	11.94%
<b>Redevelopment District</b>										
Debt Limit	\$ 49,542	\$ 52,757	\$ 49,863	\$ 51,428	\$ 65,495	\$ 67,163	\$ 58,082	\$ 56,771	\$ 54,189	\$ 53,748
Total net debt applicable to limit	14,600	13,000	31,305 (B)	29,535	26,545	21,880	19,390	16,795	14,090	11,260
Legal debt margin	\$ 34,942	\$ 39,757	\$ 18,558	\$ 21,893	\$ 38,950	\$ 45,283	\$ 38,692	\$ 39,976	\$ 40,099	\$ 42,488
Total net debt applicable to the limit as a percentage of debt limit	29.47%	24.64%	62.78%	57.43%	40.53%	32.58%	33.38%	29.58%	26.00%	20.95%

Legal Debt Margin Calculation for Fiscal Year 2012

	City of Fort Wayne	Park District	Redev District
Assessed adjusted value (Civil City)	\$ 2,687,408 (A)	\$ 2,652,738 (A)	\$ 2,687,408 (A)
Assessed adjusted value (Park District)			\$ 2,687,408 (A)
Assessed adjusted value (Redevelopment District)			53,748
<b>Total Assessed adjusted value</b>	<b>\$ 2,687,408</b>	<b>\$ 2,652,738</b>	<b>\$ 2,687,408</b>
Debt limit (2% of assessed adjusted value)	53,748	53,055	53,748
Debt applicable to limit:			
General obligation bonds	38,695	2,245	11,260
Special obligation bonds	-	4,090	-
Less: Amount set aside for repayment of debt	-	-	-
Total net debt applicable to limit	38,695	6,335	11,260
Legal debt margin	\$ 15,053	\$ 46,720	\$ 42,488

(A) Assessed adjusted value is determined by dividing the net assessed valuation by 3. Each taxing district has a 2% debt limit.  
(B) Increase in debt is due to additional Special Obligation Bonds issued by Community Development and the Parks Department.  
(C) Increase in debt is due to additional Special Obligation Bonds issued by Community Development.

Note: The City of Fort Wayne fully implemented GASB Statement 34 in 2002. In addition, the City of Fort Wayne is reporting the Legal Debt Margin, by Taxing District.

**Schedule 12**  
**City of Fort Wayne**  
**Direct and Overlapping Governmental Activities Debt,**  
**As of December 31, 2012**  
*(dollars in thousands)*

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>(A) Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Allen County Public Library	\$ 47,295	63.60%	\$ 30,079
Allen County	48,172	63.60%	30,637
Southwest Allen School District	57,525	52.72%	30,328
East Allen School District	53,880	14.25%	7,676
Fort Wayne Community Schools	87,382	92.41%	80,750
Northwest Allen School District	104,465	23.60%	24,655
Subtotal, overlapping debt			<u>\$ 204,125</u>
City direct debt			
General Obligation Bonds			2,245
Special Obligation Bonds			54,045
Total City direct debt			<u>\$ 56,290</u>
Total direct and overlapping debt			<u><u>\$ 260,415</u></u>

(A) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Sources: Assessed value data used to estimate applicable percentages and the debt outstanding provided by the Allen County Auditor's Office.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Fort Wayne. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**Schedule 13**  
**City of Fort Wayne**  
**Ratios of Outstanding Debt by Type,**  
**Last Ten Fiscal Years**  
*(dollars in thousands, except per capita)*

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	(B) Percentage of Personal Income	(B) Per Capita	
	General Obligation Bonds	Special Obligation Bonds	First Mortgage Bonds	Capital Leases	Loans Payable	Mortgages Payable	Revenue Bonds	Capital Leases				Loans Payable
2003	12,680	29,860	9,450	8,421	1,954	42	72,145	-	15,288	149,840	2.39% (C)	712
2004	8,720	25,230	7,870	11,887	1,181	42	65,707	-	23,564	144,201	2.21% (C)	654
2005	7,725	75,490 (A)	10,490	12,368	993	42	75,045	3,700	24,066	209,919	3.09% (C)	948
2006	6,680	70,030	29,445	16,425	879	42	85,380	3,381	73,171	285,433	4.00% (C)	1,269
2007	5,555	63,865	27,495	23,910	2,259	-	102,435	3,051	83,031	311,601	3.82% (C)	1,246
2008	3,085	56,080	24,765	35,511 (D)	11,870 (E)	-	94,325	2,710	84,052	312,398	3.58% (G)	1,242 (G)
2009	3,100	77,710 (F)	39,875 (F)	57,829 (F)	11,260	-	85,795	2,359	110,802 (F)	388,730	4.46% (G)	1,545
2010	2,805	68,555	38,420	56,159	10,621	-	118,545	1,996	109,249	406,350	4.66%	1,588
2011	2,530	61,450	36,260	57,386	9,622	-	148,400	2,522	134,356	452,526	5.23%	1,784
2012	2,245	54,045	34,015	56,431	7,861	-	209,290	2,549	134,950	501,386	5.61%	1,976

(A) The City issued \$55 million of special obligation bonds in 2005 for use in property acquisition, street extensions, Southtown redevelopment project, park projects, infrastructure and lighting improvements.  
(B) See schedule 16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.  
(C) Years 2003-2006 have been revised on the 2007 Schedule 13.  
(D) The Harrison Square Parking Garage lease increased by \$13.4 million in 2008.  
(E) The City borrowed \$6.25 million from the U.S. Dept. of Housing and Urban Development for use in developing the mixed-use Renaissance Project. \$2.5 million was borrowed by the City for use by the Barrett Law Dept. and \$1.1 million was borrowed by the City to use in purchasing land located at 2300 West Jefferson Blvd, Fort Wayne, IN.  
(F) Refer to Note 5 (Long-term debt) of the 2009 financial statements for an explanation of increase.  
(G) Revised in 2009 based on actual 2008 information.

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.  
The City of Fort Wayne fully implemented GASB Statement 34 in 2002.

**Schedule 14**  
**City of Fort Wayne**  
**Ratios of Net General Bonded Debt Outstanding,**  
**Last Ten Fiscal Years**  
*(dollars in thousands, except per capita)*

Fiscal Year	General Bonded Debt Outstanding			Less: Funds Restricted for Debt Service	Net General Bonded Debt	(A)	(B)
	General Obligation Bonds	Special Obligation Bonds	Total			Percentage of Actual Taxable Value of Property	Per Capita
2003	12,680	29,860	42,540	8,046	34,494	0.46%	156.45
2004	8,720	25,230	33,950	5,735	28,215	0.36%	127.39
2005	7,725	75,490	83,215	6,505	76,710	1.03%	341.07
2006	6,680	70,030	76,710	7,290	69,420	0.90%	277.58
2007	5,555	63,865	69,420	8,965	60,455	0.62%	240.62
2008	3,085	56,080	59,165	8,310	50,855	0.50%	202.13
2009	3,100	77,710	80,810	9,450	71,360	0.82%	278.87
2010	2,805	68,555	71,360	7,380	63,980	0.75%	252.20
2011	2,530	61,450	63,980	7,690	56,290	0.69%	221.88
2012	2,245	54,045	56,290	6,755	49,535	0.61%	195.26

(A) See Schedule 7 for property value data.

(B) Population data can be found in Schedule 16 and updated with the most current information .

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

The City of Fort Wayne fully implemented GASB Statement 34 in 2002.

Schedule 15  
City of Fort Wayne  
Pledged-Revenue Coverage,  
Last Ten Fiscal Years  
(dollars in thousands)

Fiscal Year	Water Revenue Bonds				Sewer Revenue Bonds			
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Coverage	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Coverage
2003	24,049	19,467	4,583	1.74	28,386	19,003	9,383	1.30
2004	24,006	20,048	3,958	1.50	29,123	20,203	8,920	1.08
2005	24,841	20,369	4,472	1.77	30,798	20,676	10,122	0.96
2006	25,850	21,562	4,288	1.42	28,495	23,086	5,410	0.83
2007	30,122	22,280	7,842	3.22	34,681	22,489	12,192	1.77
2008	31,593	24,173	7,420	3.06	34,109	23,786	10,323	1.58
2009	31,275	25,237	6,038	2.49	36,113	26,442	9,671	1.15
2010	33,511	26,673	6,838	2.82	42,532	28,653	13,879	1.76
2011	33,289	28,008	5,291	2.18	51,105	30,132	20,973	1.99
2012	33,483	28,844	4,639	1.91	52,708	33,269	19,439	1.21

Fiscal Year	Civic Center Parking Garage-1979 (C)				Parking Garage Addition-2001			
	Parking Garage Charges	Less: Operating Expenses	Net Available Revenue	Coverage	Parking Garage Charges	Less: Operating Expenses	Net Available Revenue	Coverage
2003	833	696	137	1.54	65	41	24	0.28
2004	644	845	(201) (A)	(2.39)	167	41	127	0.87
2005	596	636	(40) (A)	(0.48)	148	41	107	0.72
2006	752	647	105	1.19	-	41	(41) (B)	(0.28)
2007	715	653	62	-	150	41	109	0.74
2008	705	907 (E)	(202)	-	60	19	41	0.28
2009	773	715	58	-	80	42	38	0.26
2010	722	754	(32)	-	80	42	38	0.26
2011	674	827	(153)	-	89	42	47	0.32
2012	668	638	30	-	-	42	(42) (F)	(0.28)

Fiscal Year	Stormwater Revenue Bond-2006 (D)			
	Utility Service Charges	Less: Operating Expenses	Net Available Revenue	Coverage
2003	5,064	4,723	341	-
2004	5,243	5,129	114	-
2005	5,843	5,456	387	-
2006	9,440	6,192	3,248	11.12
2007	9,387	7,949	1,438	0.95
2008	9,639	9,145	494	0.33
2009	9,838	8,533	1,305	0.86
2010	9,656	6,385	3,271	2.16
2011	10,866	6,246	4,620	3.05
2012	9,766	6,061	3,705	2.45

(A) The Civic Center Parking Garage was renovated during 2004-2005. The negative net available revenue is due to the fact that portions of the garage were closed during renovation. Even though the revenues dropped during this period, there was a sufficient cash balance to cover all expenses.  
(B) The Plaza Parking Garage took a hit in 2006 when the renovated Allen County Juvenile Center reopened. Most court cases moved to the Center. However, an increase in monthly users has increased the revenue in 2007.  
(C) The Plaza Parking Garage debt was paid off in 2006.  
(D) The Stormwater Revenue Bond of 2006 was not reported on the 2006 CAFR Schedule 15.  
(E) The increase in operating expenses is a combination of an increase in depreciation expenses, maintenance expense of the garage, cost of salt, snow removal, and administrative expenses.  
(F) The revenue for this parking was deposited to a pooled parking fund. Refer to non-major special revenue income statement parking fund.

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or amortization expenses.  
The City of Fort Wayne fully implemented GASB Statement 34 in 2002.

**Schedule 16  
City of Fort Wayne  
Demographic and Economic Statistics,  
Last Ten Calendar Years**

<b>Year</b>	<b>(A) Population</b>	<b>(B) Personal Income (thousands of dollars)</b>	<b>(C) Per Capita Personal Income</b>	<b>(D) Unemployment Rate</b>
2003	220,486	6,536,307	29,645	6.9%
2004	221,479	6,791,432	30,664	6.8%
2005	224,913	7,134,690	31,722	5.6%
2006	250,086	8,167,309	32,658	5.3%
2007	251,247 (E)	8,466,521	33,698	4.8%
2008	251,591 (F)	8,718,131	34,652	6.4%
2009	255,890 (G)	8,720,219	34,078	10.7%
2010	253,691 (H)	8,647,819	34,088	10.9%
2011	253,691 (I)	8,929,670	35,199	9.0%
2012	253,691 (J)	N/A	N/A	8.2%

(A) Population numbers for years 2002 through 2005 were derived from the 2000 census.  
Population number for 2006 was certified by the Office of the Governor of Indiana.

(B) Personal income information is a total for the year calculated by multiplying per capita personal income by population.

(C) Source: U.S. Department of Commerce, Bureau of Economic Analysis for Allen Co..  
There is no available data by the "City of Fort Wayne" only.

(D) Unemployment rate information is a yearly average from the Indiana Dept. of Workforce Development for the City of Fort Wayne and updated with the most current information .

(E) From US Census 2007 estimate. This is a revision to the population estimate provided for the 2007 CAFR Schedule 16.

(F) From US Census 2008 estimate. This is a revision to the population estimate provided for the 2008 CAFR Schedule 16.

(G) From US Census 2009 estimate. This is a revision to the population estimate provided for the 2009 CAFR Schedule 16.

(H) From US Census 2010 estimate. This is a revision to the population estimate provided for the 2010 CAFR Schedule 16.

(I) From US Census 2010 estimate. This is a revision to the population estimate provided for the 2011 CAFR Schedule 16.

(J) From US Census 2010 estimate. Used the latest population estimate available.

N/A - Not available at time of 2012 CAFR production.

Notes : The City of Fort Wayne fully implemented GASB Statement 34 in 2002.

Schedule 17  
City of Fort Wayne  
Principal Employers,  
Current Year and Nine Years Ago

<u>Employer</u>	2012			2003		
	Employees	Rank	(A) % of Total	Employees	Rank	(A) % of Total
Parkview Health Systems (Formerly Parkview Memorial Hospital)	4,710	1	2.61%	3,648	1	2.19%
Lutheran Health Network (Formerly Lutheran Hospital)	4,301	2	2.38%	2,889	4	1.73%
Fort Wayne Community Schools	4,230	3	2.34%	3,445	2	2.06%
General Motors Truck & Bus Group	3,880	4	2.15%	3,050	3	1.83%
City of Fort Wayne	2,003	5	1.11%	1,671	7	1.00%
Lincoln Financial Group (Formerly Lincoln National Corporation)	1,970	6	1.09%	2,108	6	1.26%
Allen County Government	1,605	7	0.89%	1,585	8	0.95%
BFGoodrich Tire Manufacturing	1,580	8	0.87%	---	---	---
Frontier Communications Corp.	1,564	9	0.87%	---	---	---
IPFW	1,255	10	0.69%	---	---	---
Scott's Food Stores, Inc. - Supervalu	---	---	---	1,575	10	0.94%
Verizon Telephone (Formerly General Telephone)	---	---	---	2,214	5	1.33%
Shambaugh & Sons	---	---	---	1,580	9	0.95%
<b>Total</b>	<b>27,098</b>		<b>15.00%</b>	<b>23,765</b>		<b>14.24%</b>

(A) Represents the percent of total employees within Allen County.

Source: Fort Wayne-Allen County Economic Development Alliance and Indiana University Purdue University Fort Wayne as maintained by the Community Research Institute thru 4/20/2012.

**Schedule 18**  
**City of Fort Wayne**  
**Full-time Equivalent City Government Employees by Function/Program,**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Full-time Equivalent Employees as of December 31</b>									
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General Government	110	110	111	118	119	119	129	104	108	116
Public Safety										
Police	415	406	434	429	453	446	450	421	451	468
Fire	350	357	364	356	369	356	367	359	349	342
Civilians	250	243	214	226	215	211	201	199	198	194
Highways and streets	179	161	176	165	183	178	156	148	153	143
Health and welfare	31	34	35	35	37	40	37	41	43	42
Culture and recreation	172	164	161	147	148	153	147	129	129	144
Urban redevelopment and housing	19	18	42	43	44	48	43	58	54	57
Internal Services	8	7	7	8	8	8	8	8	8	8
Solid Waste	2	2	2	2	2	2	2	2	2	3
City Utilities										
Water	129	123	123	119	119	122	115	119	118	118
Sewage	78	83	88	88	86	90	92	99	98	97
Storm Water	23	24	22	21	19	23	21	22	22	19
Planning and Design	23	21	24	29	32	34	37	40	42	43
Engineering	17	20	18	18	18	16	13	10	11	11
Customer Relations	34	32	34	27	27	30	27	34	29	29
Administrative	22	22	20	21	20	22	29	25	26	27
<b>Total</b>	<b>1,857</b>	<b>1,825</b>	<b>1,872</b>	<b>1,852</b>	<b>1,896</b>	<b>1,895</b>	<b>1,874</b>	<b>1,818</b>	<b>(A) 1,841</b>	<b>1,861</b>

Source: City of Fort Wayne Payroll Department  
(A) Retirees were significant in 2010

Notes: The functional breakout is from the "Statement of Activities".

The City of Fort Wayne fully implemented GASB Statement 34 in 2002.

Schedule 19  
City of Fort Wayne  
Operating Indicators by Function/Program,  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Board of Public Works										
Emerging business enterprise applicants										
Worksite visits	12	10	7	11	10	6	9	8	11	7
Wage violations	40	20	40	40	35	30	15	25	21	9
Compliance workshops	32	25	53	22	39	14	18	18	57	26
Public Safety										
Police										
Calls for service	2	2	3	3	3	0	0	4	4	2
Fire Department										
Emergency medical runs	169,768	170,535	171,263	182,912	188,011	198,634	184,111	186,667	201,344	194,648
Fire rescue runs	7,914	7,697	6,474	6,433	6,830	7,142	6,581	6,627	6,794	7,029
Weight & Measures	7,528	7,800	10,574	10,566	11,291	14,127	12,113	12,574	11,771	13,281
Scales inspected	1,158	1,254	1,257	1,257	1,278	1,447	1,362	1,949	1,384	1,723
Measuring devices inspected	4,145	5,589	6,318	5,851	4,910	6,840	5,046	6,043	6,004	6,088
Calibrations and tests conducted	758	491	2,039	2,506	14,281	20,512	22,026	22,240	21,503	18,890
Highways and streets										
Street Department										
Paving - miles of maintenance	18	15	15	16	16	14	12	15	13	14
Chip and seal - miles of maintenance	14	14	14	14	14	12	10	13	12	11
Crack sealing - miles of maintenance	75	75	75	96	79	55	81	80	68	78
Traffic Engineering										
Accident records and analysis	9,105	8,813	9,300	9,500	9,348	9,478	8,055	8,858	8,951	9,033
Fatal accident investigation	8	10	12	8	9	14	14	9	9	16
Development & Buildg. Plans Processed	N/A	N/A	234	208	218	161	145	111	112	124
Traffic counts conducted	36	45	30	50	40	46	32	49	44	43
Traffic studies conducted	142	180	180	190	200	200	200	250	250	250
Traffic investigations (complaints)	218	260	250	325	350	380	380	425	425	450
Traffic Signal Division										
New signals installed	7	3	5	6	5	7	6	3	5	2
Signals modernized	28	5	4	14	16	14	14	7	23	6
Signal accident repairs	40	23	50	36	31	34	34	29	20	34
Signal bulbs replaced (emergency/non-emergency)	9,743	9,820	1,004	10	54	29	7	26	7	43

Continued on next page

Schedule 19  
City of Fort Wayne  
Operating Indicators by Function/Program,  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Sign & Marking Division										
Signs manufactured	4,158	4,746	4,724	5,169	4,065	6,548	4,008	4,370	3,701	2,266
Street lanes marked - painted (miles)	596	633	657	719	759	755	881	690	529	655
Curb parking marked (feet)	12,995	29,566	23,663	21,037	12,271	14,029	9,555	14,963	20,976	7,381
Crosswalks marked	644	636	760	849	913	902	865	807	818	721
Lane arrows marked	483	795	883	822	950	1,076	1,006	988	1,210	1,065
Health and welfare										
Animals handled	13,756	13,871	14,023	15,919	15,719	16,608	15,805	15,791	15,863	14,994
Animals adopted	1,614	1,488	1,733	1,920	2,132	2,529	2,540	2,265	2,382	2,748
Animals euthanized	10,241	10,445	10,164	11,508	11,397	11,444	10,286	9,742	10,693	9,203
Animals returned to owners	1,545	1,571	1,574	1,692	1,712	1,810	1,620	1,854	2,056	2,019
Bite cases	659	817	673	915	829	901	980	665	850	837
Education programs contacts	346,991	343,579	335,016	282,442	626,390	735,450	867,079	832,735	768,581	244,526
Urban redevelopment and housing										
Neighborhood Code Enforcement										
Emergency orders to repair	485	606	874	1,286	1,133	976	612	1,519	1,530	1,288
Emergency orders to demolish	71	55	173	93	56	31	5	6	8	10
Boardings	295	366	455	729	629	600	369	926	744	734
Demolitions - hearing affirmed	52	31	107	19	136	43	26	124	125	52
Water										
New connects	874	737	776	649	128	142	121	74	71	797
Consumption (millions of gallons)	8,581	8,241	8,639	8,310	8,408	8,391	8,069	8,214	8,270	8,712
Wastewater										
New connects	1,336	1,153	1,145	843	611	642	534	340	651	225
Sewage treatment (millions of gallons)	8,031	7,843	8,085	7,724	7,780	7,488	7,177	8,620	8,616	8,768

- (A) Increased due to new contractors to monitor projects, requirement for federally funded projects, and follow-up to worker proper wage rate allegations.
- (B) Increased due to new reporting model based on wage violations per individual instead of counting projects.
- (C) Decreased - 2010 had a higher than normal amount of reinspections
- (D) Sewer increase largely due to Allen County Regional Water and Sewer District

Notes:  
The City of Fort Wayne fully implemented GASB Statement 34 in 2002.

Schedule 20  
City of Fort Wayne  
Capital Asset Statistics by Function/Program,  
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Public Safety</b>										
<u>Police</u>										
Division outposts	-	-	3	4	4	4	4	4	4	4
Training academies	1	1	1	1	1	1	1	1	1	1
Fire										
Fire stations	16	16	18	18	18	18	18	18	18	18
Training academies	1	1	1	1	1	1	1	1	2	2
Safety Village									1	1
<b>Highways and streets</b>										
Number of street lights	30,646	30,825	31,382	32,594	33,174	33,354	33,592	33,725	33,896	33,923
Miles of streets	943	943	990	1,130	1,144	1,144	1,149	1,217	1,161	1,160
<b>Health and welfare</b>										
<u>Animal Control</u>										
Animal care centers	1	1	1	1	1	1	1	1	1	1
Patrol districts	3	3	3	3	3	3	3	3	3	3
<b>Culture and recreation</b>										
Acres for parks and recreational areas	2,429	2,429	2,429	2,625	2,631	2,805	2,805	2,805	2,805	2,805
Parks and recreational areas	84	84	84	84	85	86	86	86	86	86
Golf courses	3	3	3	3	3	4	4	4	4	4
Swimming pools	4	4	4	4	4	4	3	3	3	3
<b>Water</b>										
Miles of water lines	976	992	998	1,010	1,024	1,153	1,157	1,159	1,160	1,164
Treatment capacity (million gallons/day)	72	72	72	72	72	72	72	72	72	72
<b>Wastewater</b>										
Miles of sewer/stormwater mains	1,604	1,657	1,683	1,715	1,727	1,802	1,830	1,861	1,856	1,880
Treatment capacity (million gallons/day)	60	60	60	60	60	60	60	60	60	70

Sources: Various city departments.

Notes: No capital asset indicators are available for the general government function.

The City of Fort Wayne fully implemented GASB Statement 34 in 2002.



# **The City of Fort Wayne**

**200 E Berry Street**

**Suite 470**

**Fort Wayne, Indiana 46802**

**(260) 427-1106**

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

FEDERAL SINGLE AUDIT REPORT

CITY OF FORT WAYNE

ALLEN COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**  
09/09/2013



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Patricia Roller	01-01-12 to 12-31-13
Mayor	Thomas Henry	01-01-12 to 12-31-15
Director of City Utilities	Kumar Menon	01-01-12 to 12-31-13
Co-Directors of Public Safety	Peter Kelly Amy Biggs Russell York	01-01-12 to 06-28-12 06-29-12 to 12-31-13 01-01-12 to 12-31-13
President of the Common Council	Tom Smith Thomas Didier	01-01-12 to 12-31-12 01-01-13 to 12-31-13



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S 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

TO: THE OFFICIALS OF THE CITY OF FORT WAYNE, ALLEN COUNTY, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the of the City of Fort Wayne (City), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated June 27, 2013. Our report includes a reference to other auditors who audited the financial statements of the Fort Wayne Urban Enterprise Association, Inc., Fort Wayne Public Transportation Corporation, and Community Development Corporation of Fort Wayne, as described in our report on the City of Fort Wayne's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Fort Wayne Urban Enterprise Association, Inc., were not audited in accordance with *Government Auditing Standards*.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City'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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 City'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

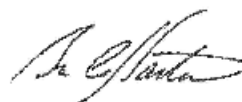
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City'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*.

***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.



Bruce Hartman  
State Examiner

June 24, 2013

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

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

***Report on Compliance for Each Major Federal Program***

We have audited the City of Fort Wayne (City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

The City's basic financial statements include the operations of the Fort Wayne Urban Enterprise Association, Inc., Fort Wayne Public Transportation Corporation, and Community Development Corporation of Fort Wayne which received \$13,079,144 in federal awards which is not included in the schedule during the year ended December 31, 2012. Our audit, described below, did not include the operations of the Fort Wayne Public Transportation Corporation and the Community Development Corporation of Fort Wayne because these organizational units engaged other auditors to perform an audit in accordance with Circular A-133. The Fort Wayne Urban Enterprise Association, Inc., is not included because it engaged other auditors to perform an audit and it did not require an audit in accordance with Circular A-133.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 City'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 City's compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133  
(Continued)

***Opinion on Each Major Federal Program***

In our opinion, the City 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 December 31, 2012.

***Report on Internal Control Over Compliance***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City'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 OMB Circular A-133, 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 City's internal control over compliance.

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 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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

***Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133***

We have audited the financial statements of governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated June 24, 2013, 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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133  
(Continued)

financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 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 Expenditure of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Bruce Hartman  
State Examiner

June 24, 2013

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared by management of the City. The schedule and notes are presented as intended by the City.

CITY OF FORT WAYNE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2012

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218		
		191CD	\$ 23,336
		B-10-MC-180003	37,607
		B-11-MC-180003	1,771,090
		B-12-MC-180003	<u>312,091</u>
Total for cluster			<u>2,144,124</u>
Pass-Through Indiana Office of Community and Rural Affairs			
CDBG - State Administered CDBG Cluster			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228		
		038-DR2-09-100X	<u>1,224,292</u>
Total for cluster			<u>1,224,292</u>
Direct Grant			
Emergency Solutions Grant Program			
	14.231		
		S10MC180003	4,341
		E11MC180003	72,883
		E12MC180003	<u>11,458</u>
Total for program			<u>88,682</u>
Home Investment Partnerships Program			
	14.239		
		M09MC180202	533,292
		M10MC180202	380,107
		M11MC180202	4,173
		M12MC180202	<u>64,734</u>
Total for program			<u>982,306</u>
ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP) Recovery Act			
	14.257		
		S09MY180003	<u>171,991</u>
Neighborhood Stabilization Program			
	14.264		
		B-08-MN-180004	821,063
		B-11-MN-180004	<u>664,182</u>
Total for program			<u>1,485,245</u>
Lead Hazard Reduction Demonstration Grant Program			
	14.905		
		INLHB052412	<u>77,153</u>
Total for federal grantor agency			<u>6,173,793</u>
<u>DEPARTMENT OF INTERIOR</u>			
Pass-Through Indiana Department of Natural Resources			
Historic Preservation Fund Grants-In-Aid	15.904		
		18-11-31921-CA-2	5,629
		41921-CA-2	32,872
		18-11-31921-7	<u>29,837</u>
Total for program			<u>68,338</u>
Total for federal grantor agency			<u>68,338</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF FORT WAYNE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2012  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>DEPARTMENT OF JUSTICE</u>			
Direct Grant			
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		
		2010-DJ-BX-0609	76,144
		2011-DJ-BX-2913	<u>38,482</u>
Total for cluster			<u>114,626</u>
Congressionally Recommended Awards	16.753		
		2010-DD-BX-0351	<u>271,819</u>
Pass-Through Indiana State Police			
Missing Children's Assistance	16.543		
		A2-2-100-019	320
			<u>7,956</u>
Total for program			<u>8,276</u>
Pass-Through Indiana Criminal Justice Institute			
Crime Victim Assistance	16.575		
		11VALE002	46,252
		12VA1529	<u>13,838</u>
Total for program			<u>60,090</u>
ARRA-Violence Against Women Formula Grants, Recovery Act	16.588		
		11STLE001	131,120
		12STLE001	<u>60,670</u>
Total for program			<u>191,790</u>
Total for federal grantor agency			<u>646,601</u>
<u>DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
		0810288	51,457
		0500695	123,876
		0400587	50,281
		0600172	440
		1005802	101,281
		0901798	321,173
		0710495	<u>2,332,617</u>
Total for program			<u>2,981,125</u>
Recreational Trails Program	20.219		
		1005159	95,743
		0810457	3,266
		0710990	7,581
		1005158	40,200
		1297171	2,600
		0401234	<u>13,302</u>
Total for program			<u>162,692</u>
Total for cluster			<u>3,143,817</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF FORT WAYNE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2012  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>DEPARTMENT OF TRANSPORTATION (continued)</u>			
Pass-Through Indiana Department of Justice Highway Safety Cluster State and Community Highway Safety	20.600		
		D3-12-6413	138,985
		D3-13-7222	17,798
		D3-12-6989	4,893
		D3-12-7273	<u>53,779</u>
Total for program			<u>215,455</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		
		D3-11-6196	160,133
		D3-13-7240	33,007
		D3-12-6230	3,622
		D3-13-7550	<u>131</u>
Total for program			<u>196,893</u>
Total for cluster			<u>412,348</u>
Total for federal grantor agency			<u>3,556,165</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
ARRA - Brownsfields Assessment and Cleanup Cooperative Agreements, Recovery Act	66.818		
		BF-00E00883-0	94,373
		BF-00E00396-0	<u>228,926</u>
Total for program			<u>323,299</u>
Pass-Through Indiana Finance Authority			
ARRA - Capitalization Grants for Clean Water State Revolving Funds, Recovery Act	66.458		
		ARRA-WW09090203	<u>338,183</u>
Capitalization Grants for Clean Water State Revolving Funds	66.458		
		WW09090204-B	2,493,625
		WW11170105-B	7,232,732
		WW11170106-B	<u>1,684,096</u>
Total for program			<u>11,410,453</u>
Capitalization Grants for Drinking Water State Revolving Funds	66.468		
		DW11030203-B	<u>7,328,046</u>
Total for federal grantor agency			<u>19,399,981</u>
<u>DEPARTMENT OF ENERGY</u>			
Direct Grant			
ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis, Recovery Act	81.122		
		DE-FOA-0000098	<u>48,775</u>
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG), Recovery Act	81.128		
		DE-EE0000825/001	<u>516,594</u>
Total for federal grantor agency			<u>565,369</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF FORT WAYNE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2012  
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Hazard Mitigation Grant (HMGP)	97.039		
		C44P-0-159A	10,886
		C44P-0-160A	100,693
		C44P-1-202A	<u>144,230</u>
Total for program			<u>255,809</u>
Assistance to Firefighters Grant	97.044		
		EMW-2010FR-00335	<u>265,518</u>
Metropolitan Medical Response System	97.071		
		C44P-1-261A	<u>180,226</u>
State Homeland Security Program (SHSP)	97.073		
		C44P-1-285A	<u>33,608</u>
Total for federal grantor agency			<u>735,161</u>
Total federal awards expended			<u>\$ 31,145,408</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF FORT WAYNE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Fort Wayne (City) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows for the year ended December 31, 2012:

	Federal CFDA Number	Amount Provided to Subrecipients
Community Development Block Grant/Entitlement Grants	14.218	\$ 2,144,124
Emergency Solutions Grant Program	14.231	88,681
HOME Investment Partnerships Program	14.239	982,306
ARRA - Homelessness Prevention and Rapid Re-Housing Program Recovery Act Funded	14.257	171,991
Historic Preservation Fund Grants-in-Aid	15.904	68,338
Crime Victim Assistance	16.575	60,090

CITY OF FORT WAYNE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	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 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.257	State Administered CDBG Cluster
66.458	ARRA - Homelessness Prevention and Rapid Re-Housing Program (HPRP), Recovery Act
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds, Recovery Act
66.468	Capitalization Grants for Clean Water State Revolving Funds
81.128	Capitalization Grants for Drinking Water State Revolving Funds
	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG), Recovery Act

Dollar threshold used to distinguish between Type A and Type B programs: \$934,362

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF FORT WAYNE  
EXIT CONFERENCE

The contents of this report were discussed on June 24, 2013, with Patricia Roller, Controller. Our audit disclosed no material items that warrant comment at this time.