

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF FORT WAYNE

ALLEN COUNTY, INDIANA

January 1, 2014 to December 31, 2014



FILED
12/04/2015

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SCHEDULE OF OFFICIALS

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



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

This report is supplemental to our audit report of the City of Fort Wayne (City), for the period from January 1, 2014 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statements and Federal Single Audit Report of the City, which provides our opinions on the City's financial statements and federal program compliance. These reports may be found at www.in.gov/sboa/.

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

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

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

June 18, 2015

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CITY CONTROLLER
CITY OF FORT WAYNE

CITY CONTROLLER
CITY OF FORT WAYNE
AUDIT RESULT AND COMMENT

NEGATIVE FUND BALANCES/NET POSITION

The following funds had a negative fund balance or net position at December 31, 2014:

Fire (Major)	\$ 433,270
Public Safety Academy (Non-major Debt Service)	1,408,433
Omnibus Crime (Non-major Special Revenue)	354
Federal Revolving (Non-major Special Revenue)	227,407
Urban Enterprise Association (Non-major Special Revenue)	15,606
Parking Fund (Non-major Special Revenue)	19,660
Group Health Insurance (Part of Self-Insurance Fund - Internal Service Fund)	1,069,567

A similar comment appeared in prior Report B43982.

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



CITY OF FORT WAYNE

THOMAS C. HENRY, MAYOR

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

October 15, 2015

NEGATIVE FUND BALANCES/NET POSITIONS

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

The Fire Fund has a negative fund balance due to a reversal of an accrued payroll entry in a previous year. The City made the correcting adjustment during the 2015 budget process that should result in a positive fund balance in 2015.

The Public Safety Academy Fund, which is used to track the Southtown Project in its entirety, has a negative fund balance due to revenues not being received for land sales as expected. The City will make every attempt to ensure a positive fund balance in 2015.

The Omnibus Crime Fund has a negative fund balance due to a receivable not being booked at the end of the year. The City will make every attempt to ensure a positive fund balance in 2015.

The Federal Revolving Fund has a negative fund balance due to a receivable not being booked at the end of the year. The City will make every attempt to ensure a positive fund balance in 2015.

The Urban Enterprise Fund has a negative fund balance due to the accrued payroll entry. The City will adjust the timing of the reimbursement billing to accommodate for this accrual in 2015.

The Parking Fund has a negative fund balance due to an increase to the City by the owner of the parking garage vendor that was not passed on to the employee. The City will make every attempt to ensure a positive fund balance in 2015.

The Group Health Insurance Fund has a negative net position due to the estimated expenses used at year end versus the ability to use actual claims for the accruals. The fund has a positive cash balance. The City did increase their contribution per employee in the 2015 budget that should result in a positive net position in 2015.

Sincerely,

Patricia A. Roller, CPA
City Controller

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CITY CONTROLLER
CITY OF FORT WAYNE
EXIT CONFERENCE

The contents of this report were discussed on June 18, 2015, with Patricia Roller, Controller; Valerie Ahr, Deputy Controller; C.J. Steigmeyer, Chairman Internal Audit Board; and Teresa Neumeier, Director of Internal Audit.