

**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, 2019 to December 31, 2019



**FILED**  
09/03/2020



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Garry Morr	01-01-19 to 12-31-20
Mayor	Thomas Henry	01-01-19 to 12-31-20
President of the Common Council	Dr. John Crawford Thomas F. Didier	01-01-19 to 12-31-19 01-01-20 to 12-31-20
Director of Public Works	Shan Gunawardena	01-01-19 to 12-31-20
Director of City Utilities	Kumar Menon	01-01-19 to 12-31-20



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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, 2019 to December 31, 2019. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with the Comprehensive Annual Financial Report and Federal Single Audit Report of the City, which provides our opinions on the City's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

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

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

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

August 20, 2020

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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 same comment also appeared in prior Report B53115.

*Condition and Context*

The following funds had a negative fund balance or net position at December 31, 2019:

<u>Fund</u>	<u>Amount</u>
Public Safety Academy (Non-Major Debt Service)	\$ 636,009
Lead Grant (Non-Major Special Revenue)	<u>8,716</u>
Total Deficit Fund Balances	<u>\$ 644,725</u>

*Criteria*

The cash 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 unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)



# CITY OF FORT WAYNE

THOMAS C. HENRY, MAYOR

August 27, 2020

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

## NEGATIVE FUND BALANCES/NET POSITION

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

The Public Safety Academy Fund, which is used to track the Southtown Project in its entirety, has a negative fund balance due to the revenues not being received for land sales as expected. The City will make every attempt to ensure a positive fund balance in 2020.

The LEAD Grant Fund has a negative fund balance due to a delayed reimbursement request. The City will make every attempt to ensure a positive fund balance in 2020.

A Corrective Action Plan (CAP) has been prepared and submitted that will address this in more detail.

Sincerely,

Garry E. Morr  
City Controller

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CITY OF FORT WAYNE  
EXIT CONFERENCE

The contents of this report were discussed on August 20, 2020, with Garry Morr, City Controller; Valerie Ahr, Deputy City Controller; Kathleen Smith, Finance Manager; Brigitte Godwin, Finance Manager; C.J. Steigmeyer, Internal Audit Committee Chair; Tracy Neumeier, Director of Internal Audit; Justin Brugger, CFO of City Utilities; and Bogdan Vlaga, Manager of Financial Operations - City Utilities.