

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CITY OF GARY  
LAKE COUNTY, INDIANA

January 1, 2017 to December 31, 2017



**FILED**  
11/26/2018

*Reissued May 23, 2019, to correct  
the Schedule of Expenditures of  
Federal Awards and related reports*



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	M. Celita Green Angelia Hayes	01-01-17 to 02-28-18 03-01-18 to 12-31-18
Mayor	Karen Freeman-Wilson	01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Niquelle Allen	01-01-17 to 12-31-18
President of the Common Council	Ronald G. Brewer, Sr.	01-01-17 to 12-31-18
Executive Director of the Sanitary and Storm Water Management Districts	Daniel F. Vicari	01-01-17 to 12-31-18
President of the Boards of Sanitary and Storm Water Commissioners	Charles W. Jackson, Jr.	01-01-17 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF GARY, LAKE COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the City of Gary (City), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement as listed in the Table of Contents.

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

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. 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 statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement 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 statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 to the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2017.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Emphasis of Matter***

As discussed in Notes 7 and 10 to the financial statement, the City has been experiencing significant negative cash balances. Management's plans in regard to these matters are discussed in Note 12. The financial statement does not include any adjustments that might result from the outcome of Management's plans. Our opinion is not modified with respect to this matter.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. 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 statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


INDEPENDENT AUDITOR'S REPORT  
(Continued)

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated November 1, 2018, except for the Schedule of Expenditures of Federal Awards as to which the date is May 20, 2019, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely 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 the effectiveness of the City's 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 the City's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

November 1, 2018, except for the Schedule of Expenditures  
of Federal Awards as to which the date is May 20, 2019



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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 THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE CITY OF GARY, LAKE COUNTY, INDIANA

We have audited, 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, the financial statement of the City of Gary (City), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement, and have issued our report thereon dated November 1, 2018, except for the Schedule of Expenditures of Federal Awards as to which the date is May 20, 2019, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, 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 opinion on the financial statement, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001, that we consider to be a material weakness.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the City's financial statement is free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001.

**City of Gary's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

**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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

November 1, 2018, except for the Schedule of Expenditures  
of Federal Awards as to which the date is May 20, 2019

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF GARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
General	\$ (9,621,510)	\$ 74,378,575	\$ 74,058,865	\$ (9,301,800)
Motor Vehicle Highway	730,538	3,040,538	3,345,349	425,727
Local Road And Street	312,026	1,182,005	866,549	627,482
Law Enforcement Continuing Ed	57,575	92,866	114,886	35,555
Unsafe Building	8,258	16,075	16,595	7,738
Riverboat	96,193	6,615,880	6,267,156	444,917
Parks And Recreation	1,304	1,655,867	1,656,668	503
Cumulative Capital Development	45,602	46,975	83,121	9,456
Cumulative Capital Improvement	103,519	195,268	102,554	196,233
Self-Insurance	(419,390)	13,971,372	14,102,091	(550,109)
Police Pension	716,032	7,824,167	8,356,066	184,133
Fire Pension	1,297,169	7,157,062	8,343,770	110,461
J-Pit/Landfill Management	255,029	60,378	20,380	295,027
Geminus Grant	9,066	-	18	9,048
FireFighter Safer Grant	15,857	-	-	15,857
Note Reserve ( 8.5 Million)	10	-	-	10
Bond Revenue	1,424,718	18	1,070,185	354,551
Metro Center	1,773	655,823	642,806	14,790
ARRA Public Works	1	-	-	1
Equipment Fund	2,884	184,969	386,562	(198,709)
Equipment Lease Reserve	384,564	-	-	384,564
Lets Move Project	4,278	-	-	4,278
Fire Department Equipment	261	-	-	261
Department of Commerce	11,793	-	-	11,793
Narcotics Vice	9,180	8,514	-	17,694
Health Radon Gas	4,011	-	-	4,011
Gun Buy Back	3,500	-	-	3,500
Law Non-reverting	17,015	89,664	44,824	61,855
Fair Housing	15,284	-	7,523	7,761
TIF Bond Reserve	860,000	-	860,000	-
2012 Note Payment	-	426,633	426,633	-
Equipment Lease	29,356	-	-	29,356
Casino Capital	42,964	-	-	42,964
Inspection Program	338,747	24,385	93,292	269,840
WCI/UCI Benefit	(176,352)	602,510	926,485	(500,327)
Public Health Program	8,768	-	7,086	1,682
Safe Route Plan	(21,696)	51,746	-	30,050
Green Urbanism	59,189	26,048	4,914	80,323
Metro Center Fund 846	2,189	-	2,189	-
Fire Watch	27,047	30,247	-	57,294
KirkYard TIF	462,217	874,354	899,394	437,177
Blight Elimination Program	146,430	546,008	619,009	73,429
Maternal Child Health Infant Mortality	(44,841)	102,459	137,854	(80,236)
City Pmt- Lieu of Tax	253,331	89,559	-	342,890
Healthy Start Donation	1,700	-	-	1,700
YSB Donations	1,537	-	-	1,537
Cedit	367,714	4,630,768	4,323,532	674,950
Public Safety Income Tax	185,317	4,874,744	5,047,841	12,220
2013A Casino RB	296	-	-	296
OPERATION PULL OVER	100,659	49,997	56,580	94,076
DOIT Non-Revert	44,216	28,000	27,357	44,859
Choice Neiborhd	(927)	172,114	132,055	39,132
COG Youth Council	215	-	-	215
Grey Green VV	4,939	24,700	15,784	13,855
Gary 4 Jobs	17,773	-	-	17,773
Elimination of Dispararities	21,897	632,565	603,598	50,864
Tobacco	(10,659)	72,629	124,354	(62,384)
Section 108 Loan Guarantee	865	2,802,184	1,850,371	952,678
BUILDING COMMUNITY TRUST	(5,058)	73,784	64,381	4,345
911 Alarm Fund	350	590	-	940
CLC-CDBG	(37,948)	37,948	-	-
NAT. WILDLIFE	(11,488)	187,719	177,468	(1,237)
GREEN LINK	-	122,313	-	122,313
NON-R SET-ASIDE	22,118	71,985	22,418	71,685
LOIT SPECIAL DI	79,262	3,000,000	3,031,917	47,345

CITY OF GARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
VOCA ONE-TIME	(20,101)	20,101	-	-
LDA CASINO	73,933	7,178,378	6,622,813	629,498
GEN CTR TOURISM	15,820	16,020	10,250	21,590
MOTORCYCLE GRAN	6,650	6,530	6,388	6,792
JAG Grant	-	-	30,052	(30,052)
Project Church Reimbursement	-	164,733	-	164,733
Gary Preservation	-	16,485	12,843	3,642
FEMA Grant	-	833,848	833,848	-
50/50 Sidewalk Rep	-	17,160	17,160	-
Wheel Tax Road	-	4,000,000	209,000	3,791,000
Howe Park Improvement	-	14,144	12,612	1,532
Rdvlp Aux Non-Reverting	-	530,377	56,094	474,283
Community Crossing Match	-	2,000,000	1,194,833	805,167
TANF Summer Youth	-	245,077	344,556	(99,479)
Consolidated Area Exp	-	695,038	-	695,038
NWI HCB1	-	28,744	-	28,744
Wheel Exc Surtax	-	1,050,293	1,050,000	293
Wheel Tax	-	240,329	240,329	-
Child Restraint	-	5,874	5,874	-
Ambulance/Ems Nonreverting	3,439,224	4,155,411	3,157,449	4,437,186
Protective Services Grant I	(1,023,534)	-	-	(1,023,534)
Protective Services Grant Ii	45,684	71,747	43,823	73,608
Equal Opportunity Commission Hr	1,606	66,410	57,086	10,930
Tourism Project	58,657	41,195	7,150	92,702
Youth Services Bureau	1,531	75,366	56,301	20,596
Home Program	208,890	525,964	733,640	1,214
Emergency Shelter Grant	820	253,309	250,776	3,353
Brownfield	550	-	-	550
Healthy Families	19,291	7,374	2,796	23,869
Marquette Park	62,173	209,042	271,168	47
Gleason Golf Course	2,130	45,285	46,702	713
Emergency Shelter	(625,105)	318,552	409,501	(716,054)
Comprehensive Community Program	8,806	59,181	40,463	27,524
Landfill Closure	21,603	-	7,574	14,029
Landfill Trust	1,178,387	39,931	393	1,217,925
Solid Waste Recycling Project	144,952	451,042	414,416	181,578
Environmental Management	13,586	-	-	13,586
Health And Human Services	(469,000)	401,895	370,644	(437,749)
Supplemental Adult Probation Svcs	15,383	65,556	64,910	16,029
Gary Health Department Rental	21,432	3,425	2,479	22,378
Park Nonreverting	12,437	132,126	136,895	7,668
Vehicle Auction	27,200	82,170	25,504	83,866
Bioterrorism	(10,665)	62,880	62,464	(10,249)
Community Development Block Grant	101,279	2,831,295	2,795,941	136,633
Redevelopment Operating	97,023	113,182	187,792	22,413
Summer Jobs Training Program	5,797	7,321	44,318	(31,200)
Fair Housing Project	35,614	8,333	37,067	6,880
Genesis Civic Center	20,183	202,165	218,972	3,376
Media	430,688	428,015	390,616	468,087
Clerk Perpetuation	63,600	25,174	16,502	72,272
Genesis Center Operating	15,873	409,357	424,602	628
Leased Properties - Gary Bldg Corp.	(232,721)	12,000	-	(220,721)
State Air Grant	651	-	-	651
Hazardous Material	710	-	-	710
Economic Development Bond Comm	11,376	1,100	-	12,476
Alcohol And Drug Treatment	175	75,000	71,046	4,129
New Birth Grant	22	-	-	22
Remote Encoding Center	7,431	1,708	-	9,139
Mayor Donations	4,170	49,029	44,581	8,618
Lakefront Development	1,082,441	-	-	1,082,441
Social Services	6,058	1,170	7,228	-
Special Events	2,188	16,020	4,835	13,373
City Council Donations	93	1,370	803	660
Special Project Donations	75	-	-	75
Economic Development Trust	3,939	276	4,215	-

CITY OF GARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
Community Development Loan Program	15,458	-	180	15,278
Police Donations	14,035	500	1,000	13,535
Weed And Seed	9,203	-	-	9,203
Welfare Excess	6,272	-	-	6,272
Human Relations	5,000	3,588	3,588	5,000
Cmaq Vehicles	21,500	1,826	-	23,326
Hope Vi Pilot	434,506	124,787	41,416	517,877
Energy Efficient	1,098	-	-	1,098
Filming Fees	16,988	3,000	-	19,988
Chrp	63,198	-	-	63,198
Neighborhood Stabilization Program	228,975	57,175	22,660	263,490
Lead Base Paint Hazzard Control G	201,482	75,911	25,909	251,484
2007 Go Judgment Funding Bonds	33,066	-	-	33,066
Baseball Maintenance	1	-	-	1
Grant/Buchanan Street Project	42,989	-	-	42,989
Park Construction	85,488	32,100	117,426	162
Clean Up/Beautification	294	-	-	294
911 Equipment	494	-	-	494
Consolidated Area Tif District	640,307	2,010,598	2,510,978	139,927
Lakefront Tif District	2,320,109	2,430,163	2,775,795	1,974,477
Marquette Renovation	983	-	-	983
Lady Liberty Restoration	442	-	-	442
Guea Properties	549,642	-	-	549,642
Madison Avenue Tif District	607,526	87,847	586,646	108,727
Midwest Center Tif District	422,080	226,497	-	648,577
Lancaster Dusable Tif District	17,715	37,609	36,519	18,805
Joint Public Safety Training	6,781	7,750	190	14,341
Dalton Arms Tif District	37,515	282,079	307,906	11,688
County Market Tif District	2,488	377,411	578,025	(198,126)
Kenney's Ribs Tif District	13,719	-	-	13,719
Fire Capital Equipment	74,614	57,523	-	132,137
Truck City Of Gary Allocation Area	97,891	161,060	110,558	148,393
Payroll	62,478	12,986	-	75,464
County Health	1,708	7,290	3,774	5,224
Empowerment Zone	10,466	55,462	65,928	-
Empowerment Zone Revolving	50,314	8	50,322	-
Microloan	923	-	923	-
City Clerk - Civil Division	11,205	132,446	127,184	16,467
City Clerk - Criminal Division	733,834	1,109,700	1,128,075	715,459
Miscellaneous Refunds	16,248	-	-	16,248
Redevelopment Depository Trust	6,667	876	-	7,543
Withholdings	157,173	23,393,029	23,396,194	154,008
Supplemental Public Defender	3,450	41,294	23,693	21,051
Confiscated Property	120,177	9,844	62,702	67,319
Salary Fee Judicial	23,003	25,180	32,490	15,693
Gary Storm Water Management District (GSWMD)	6,205,901	2,610,716	4,190,693	4,625,924
GSDWM E. Ridge Road Project	42,921	-	-	42,921
Gsd Wwtp General Operating	599,078	35,748,722	34,222,848	2,124,952
Gsd Bond And Interest	1,918,599	3,089,703	2,764,453	2,243,849
Gsd Sewer Construction	27,352	107	-	27,459
Gsd Sewer Operating	164,547	69,612	59,000	175,159
Gsd Solid Waste Disposal	33,218	5,700,006	5,685,724	47,500
Gsd Debt Service	3,170,312	236,925	-	3,407,237
Gsd Grand Calumet Sedimentation	2,817,996	13,579	26,509	2,805,066
Gsd Debt Service Reserve	2,849,286	208,167	-	3,057,453
Gsd Equipment Replacement	11,628,955	1,865,692	980,749	12,513,898
Gsd/Wrep Economic Development	1,981	-	-	1,981
Gsd Beach Sampling	175,434	31,360	-	206,794
Gsd E Coli	126,628	-	-	126,628
Totals	<u>\$ 40,077,385</u>	<u>\$ 245,385,640</u>	<u>\$ 239,937,841</u>	<u>\$ 45,525,184</u>

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

CITY OF GARY  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, wastewater, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

**B. Basis of Accounting**

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

**C. Cash and Investments**

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

**D. Receipts**

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

*Taxes.* Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

*Licenses and permits.* Amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF GARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Intergovernmental receipts.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

*Charges for services.* Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

*Fines and forfeits.* Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

*Utility fees.* Amounts received from charges for current services.

*Other receipts.* Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

**E. Disbursements**

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

*Personal services.* Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

*Supplies.* Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Debt service - principal and interest.* Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF GARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Capital outlay.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Utility operating expenses.* Amounts disbursed for operating the utilities.

*Other disbursements.* Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

**F. Interfund Transfers**

The City may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

**G. Fund Accounting**

Separate funds are established, maintained, and reported by the City. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon

CITY OF GARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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 which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

The City may be 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.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this 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 members' contributions, set by state statute at 3 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.

CITY OF GARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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. That report may be obtained by contacting:

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

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

The 1925 Police Officers' Pension Plan 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 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*

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

*On Behalf Payments*

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

The 1937 Firefighters' Pension Plan 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 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*

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

CITY OF GARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*On Behalf Payments*

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*D. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is 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 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. 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, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy*

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. Some are a result of reimbursable grants that have made expenditures, but not yet been reimbursed from the grant.

General fund deficit balances are related to property taxes or casino revenues not collected as anticipated. The following is a listing of the funds for which the cash deficit is not attributable to grant reimbursements not yet received.

CITY OF GARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Fund Name	Amount Overdrawn
General	\$ 9,301,800
Self-Insurance	550,109
Equipment Fund	198,709
WCI/UCI Benefit	500,327
Maternal Child Health Infant Mortality	80,236
Tobacco	62,384
Nat. Wildlife	1,237
JAG Grant	30,052
TANF Summer Youth	99,479
Protective Services Grant I	1,023,534
Emergency Shelter	716,054
Health and Human Services	437,749
Bioterrorism	10,249
Summer Jobs Training Program	31,200
Leased Properties - Gary Bldg Corp.	220,721
County Market Tif District	198,126

In addition, the General fund has outstanding temporary loans to other City and Sanitary District funds totaling \$20,401,527 at December 31, 2017. See Note 10 for additional information.

**Note 8. Subsequent Events**

*Sales Leaseback*

As part of the 3-year deficit reduction plan, the City is in the process of borrowing up to \$40,000,000 from the sale-leaseback of its Public Safety Complex to the Gary Building Corporation. Approximately \$35,000,000 will be available for the City to use, \$4,000,000 will be held in a debt reserve account, and up to \$1,000,000 will be used for the costs of issuance. The interest rate on the debt will not exceed 8 percent per annum and the maximum term for the debt will be 22 years. These dollars will allow the City to manage cash flow while implementing the financial recovery plan. We anticipate that we will use \$9,000,000 in 2018; \$22,000,000 in 2019, and \$4,000,000 in 2020. The expectation is that by following the plan there will be positive cash flow as of 2021.

**Note 9. Other Postemployment Benefits**

The City provides to eligible retirees and their spouses the following benefits: health, dental, vision, and life insurance to the age of 65, when they are eligible for Medicare. These benefits pose a liability to the City for this year and in future years. Information regarding the benefits can be obtained by contacting the City.

CITY OF GARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 10. Temporary Loans**

The City typically uses temporary loans for cash flow purposes as provided by various statutory provisions. The temporary loans outstanding for the year ended December 31, 2017, were as follows:

Loan To	Loan From	Loans Outstanding January 1, 2017	Loans Made	Loans Repaid	Loans Outstanding December 31, 2017
General	Other City Funds (Excluding GSD Funds)	\$ 15,225,800	\$ 5,340,000	\$ 5,575,000	\$ 14,990,800
General	GSD Funds	5,357,127	-	-	5,357,127
Other City Funds (Excluding GSD Funds)	Other City Funds (Excluding GSD Funds)	951,917	240,329	5,600	1,186,646
GSD Solid Waste Disposal	GSD WWTP General Operating	10,162,000	-	-	10,162,000
Totals		<u>\$ 31,696,844</u>	<u>\$ 5,580,329</u>	<u>\$ 5,580,600</u>	<u>\$ 31,696,573</u>

**Note 11. Section 108 Loan**

The City has been approved for up to \$6 million in Section 108 loan funds from the US Department of Housing and Urban Development. A total of \$2.2 million is being utilized for the rehabilitation of the Hudson Campbell Sports and Fitness Center. A new fire station will also be constructed to provide coverage to the City's University Park neighborhood with loan proceeds in the amount of \$3,250,000. The loan balance, \$550,000, is available for project contingencies or another project as approved by HUD. The Hudson Campbell loan will be repaid from TIF dollars. The fire station loan will be repaid from the City's CEDIT funds.

**Note 12. Plans to Address Financial Concerns**

Since 2005, the City's financial status has been declining. A number of factors have contributed to the decline. In 2005, there was a change in the method of assessment to market value. This transition delayed the certification of the budget in years 2005 through 2011, which delayed property tax distributions from up to 4 months until the method was perfected. As a result, the City had to prolong the repayment of TAW's increasing interest payments, and borrow additional interfund loans.

In 2010, a constitutional amendment was passed to permanently establish property tax caps. This all occurred after a major shift in taxpayer assessment from industrial to residential property tax payers, a reduction in industrial personal property tax and a recession. The resulting reduction in the industrial tax bills was never recouped. The permanent institution of property tax caps also provided for appeals the Distressed Units Appeals Board (DUAB) as a safeguard for units of government that were disproportionately impacted by the property tax caps. The City was projected to lose between \$25,000,000 and \$30,000,000, due to the property tax caps, representing approximately 51.5 percent of the City's property tax levy (also the largest reduction in the state).

CITY OF GARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

The City was granted two years of gradual implementation, with full implementation of the property tax caps going into effect on January 1, 2012. PFM was engaged by DUAB and the City to assist with recommendations for reductions and sustainability. PFM indicated that the reductions alone would not sustain the City, and therefore, made a recommendation that financial relief be provided by other means. This relief has not been provided.

The City accepted 75 percent of PFM's recommendations and laid off nearly 300 employees, outsourced trash collection, implemented furlough days for employees for 3 years, reduced salaries for employees earning over \$50,000, reduced overall benefits, consolidated departments, reduced public safety overtime (-\$1M over 10 year period), reduced public safety clothing allowances, reduced union contractual benefits, reduced citizen services, and reduced operating expenses. The City has also worked with insurance and utility providers seeking opportunities for cost reductions. The one exception to this trend was raises for public safety personnel. In 2014 and 2015, the City experienced a mass exodus of police and fire personnel. The City administration made the difficult decision to provide raises to public safety personnel to make their salaries more commensurate with other Northwest Indiana agencies. This was accomplished with the use of COIT revenue earmarked for public safety. The City's public safety personnel remain among the lowest paid and at the greatest risk of peril.

Despite all of these measures, the City has experienced an exceptionally low property tax collections rate due to the recession and additional tax appeals by the largest two taxpayers in the City, which resulted in property tax credits and further reduced property tax revenue.

In 2012, a robust and aggressive economic development strategy was established which has increased new businesses in the City, thereby, increasing the tax-base. The county passed county income taxes for COIT and CEDIT (LIT), and the City began to receive distributions in 2014. These factors had a positive impact on City revenue. However, during this same time, casino revenues began to significantly decrease, and state legislation was passed to redirect some of the casino revenues back to the casinos or for other purposes. It became necessary to use CEDIT revenues to fund unavoidable infrastructure expenses and to subsidize the General fund.

The City's assessed value has continued to decrease at a rate of over \$150,000,000 per year in the past 3 years, where every other Lake County City's assessed value continues to increase. Part of the decrease in assessed value is directly related to the City's economic development strategy of prioritizing, demolition of abandoned commercial and residential structures. This work has been done using federal, state and foundation grants and vacant property has become prime property for development opportunities. While the short-term impact is negative, it is our strong belief that once the property is revitalized, it will have a positive long-term sustainable impact on the neighborhoods, as well as the assessed value.

Because of the relationship between assessed value, tax rate, and levy, as the assessed value declines, it leads to an increase in the tax rate. When a municipality is over the tax cap rate, it leads to taxpayers receiving additional circuit breaker credits. Because of this, the circuit breaker credit is also increasing at an alarming rate. Between 2015 and 2017, the circuit breaker credit has increased by an average of \$5,000,000 per year. This equates to a property tax collection loss of approximately \$2.5 million per year, or an additional \$7.5 million property tax revenue loss that was not anticipated or considered in the initial analysis performed when tax caps were instituted. If the average circuit breaker increase continues at the current rate, there will be additional property tax losses.

CITY OF GARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Finally, in 2016, there was a significant decline in projected casino revenues and property tax collections, which increased the general fund deficit, after stabilizing it for several years, from \$6 million to \$9 million. The City immediately decreased spending for the General fund by \$2.3M in 2017, with additional reductions and a spending freeze. The Mayor immediately formed a Finance Team to assess and evaluate the future of the City's finances; develop a strategy and plan to increase projected revenues; reverse the increasing deficit; and stabilize the general fund with an ultimate goal of a positive financial position. This plan is currently being reviewed by the Office of the Governor because there are aspects of the plan that require state support. Additionally, the City has applied for a grant with the National Resource Networking Association for assistance in the implementation of a 5-year Comprehensive Financial plan. This grant would provide additional technical assistance from PFM, and we are in the 2<sup>nd</sup> phase of the interviewing process.

Since the Finance Team was founded in 2017, a number of modifications have been made. A Freeze Committee has been established to monitor all spending, hiring and purchases. Approximately, a three year deficit reduction plan has been formulated which will allow the City to continue services while addressing the deficit. A sales lease back will provide dollars for the short term, followed by the combination of services, departments and increased revenue from multiple departments. The City will continue to leverage non-general fund revenue. The City team is optimistic about the ability to eliminate the deficit by 2021.

**Note 13. Summary of Gary Consent Decree on Clean Water Act Issues**

The Consent Decree between Gary Sanitary District (GSD), the City, and the state and federal governments, which was approved by Judge Simon in Federal court on March 19, 2018, clarifies certain obligations of GSD and the City under the Clean Water Act.

- It is common for cities or sanitary districts to enter into consent decrees with the USEPA and state agencies to describe how a particular sewer system will comply with Clean Water Act requirements. For the City, this is the latest in a series of Consent Decrees - with the first issued in 1979 and last in 2003 - that have been updated to reflect changes in the laws and regulations as well as developments in the way GSD has managed its system and plant. The most recent Consent Decree can be found with the Clerk of US District Court under *United States of America and State of Indiana vs. City of Gary, Indiana and Gary Sanitary District, Cause No. 2:16CV512-PPS*.
- The Decree requires GSD to comply with its wastewater discharge permit (also known as a "NPDES Permit"), issued by IDEM, concerning the treated water discharged from the GSD plant. Also, the Decree outlines steps to be taken to address the City's combined sewer system, which include implementing a "Combined Sewer Overflow Operational Plan," maximizing the proportion of wet weather sewer volumes that are treated, and developing a "Long-Term Control Plan" to evaluate potential improvements to the system that are affordable for the City and GSD ratepayers. A Decree compliance schedule has been developed by the City and GSD. The Decree compliance schedule can be obtained by contacting:

CITY OF GARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

The Gary Sanitary District  
3600 W. 3rd Avenue  
Gary, IN 46406  
Tel: (219) 944-0595

- In the past, funds were loaned from GSD to the City under GSD Board resolutions. The City has been in the process of paying those loans back over the past several years, and the Decree sets a timetable to complete repayment. (See Decree Compliance Schedule, page 1)
- Under a separate 2009 agreement with USEPA, GSD, and the City have been working to remediate the Ralston Street Lagoon area to support cleaning up contaminated sediments throughout the Grand Calumet River. The Decree incorporates that work and affords an opportunity to amend the work plans with financial and technical assistance from the Great Lakes National Program Office at USEPA.
- The Decree also requires GSD and the City to complete, within five years, the project for remediation of sediment in the East Branch of the Grand Calumet River that they previously committed to, and for which funds currently reside in a Remediation Account.
- The Decree reappoints Mayor Freeman-Wilson as the "Special Administrator" of GSD. This position, which each mayor, including Mayor Freeman-Wilson, has held since the 2003 Consent Decree, allows the Mayor to direct operations at GSD and ensure that GSD is performing its Decree obligations while protecting the interests of the City's residents.
- To address alleged past violations, the Decree includes a financial penalty to USEPA and the State of Indiana. This penalty is required by USEPA under the Clean Water Act. GSD and the City are offsetting most of the penalty cost by agreeing to perform a "Supplemental Environmental Project," consisting of removing invasive species and restoring native vegetation to an area on the banks of the Grand Calumet River.

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#### OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the City's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the City. It is presented as intended by the City.

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Unsafe Building	Riverboat
Cash and investments - beginning	\$ (9,621,510)	\$ 730,538	\$ 312,026	\$ 57,575	\$ 8,258	\$ 96,193
Receipts:						
Taxes	25,430,975	-	-	-	-	-
Licenses and permits	1,204,890	-	-	36,860	-	-
Intergovernmental receipts	6,864,422	3,040,538	1,182,005	-	-	-
Charges for services	670,613	-	-	-	-	-
Fines and forfeits	274,345	-	-	53,679	-	-
Utility fees	-	-	-	-	-	-
Other receipts	39,933,330	-	-	2,327	16,075	6,615,880
Total receipts	74,378,575	3,040,538	1,182,005	92,866	16,075	6,615,880
Disbursements:						
Personal services	41,706,075	1,152,514	38,150	-	-	-
Supplies	824,995	81,544	718,424	1,390	1,264	-
Other services and charges	8,245,341	2,052,273	63,352	103,269	15,331	4,181,160
Debt service - principal and interest	17,422,639	-	-	-	-	1,901,398
Capital outlay	159,961	59,018	46,623	10,227	-	184,598
Utility operating expenses	-	-	-	-	-	-
Other disbursements	5,699,854	-	-	-	-	-
Total disbursements	74,058,865	3,345,349	866,549	114,886	16,595	6,267,156
Excess (deficiency) of receipts over disbursements	319,710	(304,811)	315,456	(22,020)	(520)	348,724
Cash and investments - ending	\$ (9,301,800)	\$ 425,727	\$ 627,482	\$ 35,555	\$ 7,738	\$ 444,917

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Parks And Recreation	Cumulative Capital Development	Cumulative Capital Improvement	Self-Insurance	Police Pension	Fire Pension
Cash and investments - beginning	\$ 1,304	\$ 45,602	\$ 103,519	\$ (419,390)	\$ 716,032	\$ 1,297,169
Receipts:						
Taxes	668,871	43,667	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	50,668	3,308	195,268	-	5,517,271	5,354,884
Charges for services	6,575	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	929,753	-	-	13,971,372	2,306,896	1,802,178
Total receipts	1,655,867	46,975	195,268	13,971,372	7,824,167	7,157,062
Disbursements:						
Personal services	733,078	-	-	14,102,091	-	-
Supplies	38,019	26,971	22,000	-	60	190
Other services and charges	323,140	55,748	47,164	-	5,204,447	5,003,230
Debt service - principal and interest	12,431	-	-	-	51,559	40,350
Capital outlay	50,000	402	33,390	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	500,000	-	-	-	3,100,000	3,300,000
Total disbursements	1,656,668	83,121	102,554	14,102,091	8,356,066	8,343,770
Excess (deficiency) of receipts over disbursements	(801)	(36,146)	92,714	(130,719)	(531,899)	(1,186,708)
Cash and investments - ending	\$ 503	\$ 9,456	\$ 196,233	\$ (550,109)	\$ 184,133	\$ 110,461

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	J-Pit/Landfill Management	Geminus Grant	FireFighter Safer Grant	Note Reserve ( 8.5 Million)	Bond Revenue	Metro Center
Cash and investments - beginning	\$ 255,029	\$ 9,066	\$ 15,857	\$ 10	\$ 1,424,718	\$ 1,773
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	60,378	-	-	-	18	655,823
Total receipts	60,378	-	-	-	18	655,823
Disbursements:						
Personal services	-	18	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	20,380	-	-	-	3,108	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,067,077	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	642,806
Total disbursements	20,380	18	-	-	1,070,185	642,806
Excess (deficiency) of receipts over disbursements	39,998	(18)	-	-	(1,070,167)	13,017
Cash and investments - ending	\$ 295,027	\$ 9,048	\$ 15,857	\$ 10	\$ 354,551	\$ 14,790

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	ARRA Public Works	Equipment Fund	Equipment Lease Reserve	Lets Move Project	Fire Department Equipment	Department of Commerce
Cash and investments - beginning	\$ 1	\$ 2,884	\$ 384,564	\$ 4,278	\$ 261	\$ 11,793
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	184,969	-	-	-	-
Total receipts	-	184,969	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	386,562	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	386,562	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	(201,593)	-	-	-	-
Cash and investments - ending	\$ 1	\$ (198,709)	\$ 384,564	\$ 4,278	\$ 261	\$ 11,793

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Narcotics Vice	Health Radon Gas	Gun Buy Back	Law Non-reverting	Fair Housing	TIF Bond Reserve
Cash and investments - beginning	\$ 9,180	\$ 4,011	\$ 3,500	\$ 17,015	\$ 15,284	\$ 860,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	8,514	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	89,664	-	-
Total receipts	8,514	-	-	89,664	-	-
Disbursements:						
Personal services	-	-	-	-	6,397	-
Supplies	-	-	-	-	596	-
Other services and charges	-	-	-	44,824	530	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	860,000
Total disbursements	-	-	-	44,824	7,523	860,000
Excess (deficiency) of receipts over disbursements	8,514	-	-	44,840	(7,523)	(860,000)
Cash and investments - ending	\$ 17,694	\$ 4,011	\$ 3,500	\$ 61,855	\$ 7,761	\$ -

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	2012 Note Payment	Equipment Lease	Casino Capital	Inspection Program	WCI/UCI Benefit	Public Health Program
Cash and investments - beginning	\$ -	\$ 29,356	\$ 42,964	\$ 338,747	\$ (176,352)	\$ 8,768
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	20,945	-	-
Fines and forfeits	-	-	-	3,440	-	-
Utility fees	-	-	-	-	-	-
Other receipts	426,633	-	-	-	602,510	-
Total receipts	426,633	-	-	24,385	602,510	-
Disbursements:						
Personal services	-	-	-	91,275	926,485	-
Supplies	-	-	-	-	-	3,167
Other services and charges	-	-	-	2,017	-	3,919
Debt service - principal and interest	426,633	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	426,633	-	-	93,292	926,485	7,086
Excess (deficiency) of receipts over disbursements	-	-	-	(68,907)	(323,975)	(7,086)
Cash and investments - ending	\$ -	\$ 29,356	\$ 42,964	\$ 269,840	\$ (500,327)	\$ 1,682

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Safe Route Plan	Green Urbanism	Metro Center Fund 846	Fire Watch	KirkYard TIF	Blight Elimination Program
Cash and investments - beginning	\$ (21,696)	\$ 59,189	\$ 2,189	\$ 27,047	\$ 462,217	\$ 146,430
Receipts:						
Taxes	-	-	-	-	874,354	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	545,058
Charges for services	51,746	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	26,048	-	30,247	-	950
Total receipts	51,746	26,048	-	30,247	874,354	546,008
Disbursements:						
Personal services	-	-	-	-	-	12,007
Supplies	-	1,269	-	-	-	-
Other services and charges	-	3,645	-	-	-	607,002
Debt service - principal and interest	-	-	-	-	899,394	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	2,189	-	-	-
Total disbursements	-	4,914	2,189	-	899,394	619,009
Excess (deficiency) of receipts over disbursements	51,746	21,134	(2,189)	30,247	(25,040)	(73,001)
Cash and investments - ending	\$ 30,050	\$ 80,323	\$ -	\$ 57,294	\$ 437,177	\$ 73,429

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Maternal Child Health Infant Mortality	City Pmt- Lieu of Tax	Healthy Start Donation	YSB Donations	Cedit	Public Safety Income Tax
Cash and investments - beginning	\$ (44,841)	\$ 253,331	\$ 1,700	\$ 1,537	\$ 367,714	\$ 185,317
Receipts:						
Taxes	-	-	-	-	4,630,768	4,874,744
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	77,543	89,559	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	24,916	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	102,459	89,559	-	-	4,630,768	4,874,744
Disbursements:						
Personal services	56,328	-	-	-	-	3,841,093
Supplies	-	-	-	-	-	-
Other services and charges	81,526	-	-	-	3,871,000	30,404
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	102,532	156,080
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	350,000	1,020,264
Total disbursements	137,854	-	-	-	4,323,532	5,047,841
Excess (deficiency) of receipts over disbursements	(35,395)	89,559	-	-	307,236	(173,097)
Cash and investments - ending	\$ (80,236)	\$ 342,890	\$ 1,700	\$ 1,537	\$ 674,950	\$ 12,220

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	2013A Casino RB	OPERATION PULL OVER	DOIT Non-Revert	Choice Neiborhd	COG Youth Council	Grey Green VV
Cash and investments - beginning	\$ 296	\$ 100,659	\$ 44,216	\$ (927)	\$ 215	\$ 4,939
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	172,114	-	-
Charges for services	-	49,997	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	28,000	-	-	24,700
Total receipts	-	49,997	28,000	172,114	-	24,700
Disbursements:						
Personal services	-	56,580	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	20,000	132,055	-	15,784
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	7,357	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	56,580	27,357	132,055	-	15,784
Excess (deficiency) of receipts over disbursements	-	(6,583)	643	40,059	-	8,916
Cash and investments - ending	\$ 296	\$ 94,076	\$ 44,859	\$ 39,132	\$ 215	\$ 13,855

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Gary 4 Jobs	Elimination of Disparities	Tobacco	Section 108 Loan Guarantee	BUILDING COMMUNITY TRUST	911 Alarm Fund
Cash and investments - beginning	\$ 17,773	\$ 21,897	\$ (10,659)	\$ 865	\$ (5,058)	\$ 350
Receipts:						
Taxes	-	-	-	-	73,784	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	603,599	72,629	-	-	-
Charges for services	-	-	-	2,709,184	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	28,966	-	93,000	-	590
Total receipts	-	632,565	72,629	2,802,184	73,784	590
Disbursements:						
Personal services	-	534,889	80,890	-	64,381	-
Supplies	-	565	40	-	-	-
Other services and charges	-	68,144	43,424	70	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	1,850,301	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	603,598	124,354	1,850,371	64,381	-
Excess (deficiency) of receipts over disbursements	-	28,967	(51,725)	951,813	9,403	590
Cash and investments - ending	\$ 17,773	\$ 50,864	\$ (62,384)	\$ 952,678	\$ 4,345	\$ 940

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	CLC-CDBG	NAT. WILDLIFE	GREEN LINK	NON-R SET-ASIDE	LOIT SPECIAL DI	VOCA ONE-TIME
Cash and investments - beginning	\$ (37,948)	\$ (11,488)	\$ -	\$ 22,118	\$ 79,262	\$ (20,101)
Receipts:						
Taxes	-	187,719	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	37,948	-	-	-	-	-
Charges for services	-	-	-	71,985	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	122,313	-	3,000,000	20,101
Total receipts	37,948	187,719	122,313	71,985	3,000,000	20,101
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	177,468	-	16,075	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	2,031,917	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	6,343	1,000,000	-
Total disbursements	-	177,468	-	22,418	3,031,917	-
Excess (deficiency) of receipts over disbursements	37,948	10,251	122,313	49,567	(31,917)	20,101
Cash and investments - ending	\$ -	\$ (1,237)	\$ 122,313	\$ 71,685	\$ 47,345	\$ -

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	LDA CASINO	GEN CTR TOURISM	MOTORCYCLE GRAN	JAG Grant	Project Church Reimbursement	Gary Preservation
Cash and investments - beginning	\$ 73,933	\$ 15,820	\$ 6,650	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	6,530	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	7,178,378	16,020	-	-	164,733	16,485
Total receipts	7,178,378	16,020	6,530	-	164,733	16,485
Disbursements:						
Personal services	-	-	6,388	-	-	-
Supplies	-	-	-	-	-	7,525
Other services and charges	156,703	10,250	-	-	-	5,318
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,435,502	-	-	30,052	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	5,030,608	-	-	-	-	-
Total disbursements	6,622,813	10,250	6,388	30,052	-	12,843
Excess (deficiency) of receipts over disbursements	555,565	5,770	142	(30,052)	164,733	3,642
Cash and investments - ending	\$ 629,498	\$ 21,590	\$ 6,792	\$ (30,052)	\$ 164,733	\$ 3,642

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	FEMA Grant	50/50 Sidewalk Rep	Wheel Tax Road	Howe Park Improvement	Rd/vlp Aux Non-Reverting	Community Crossing Match
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	75,804	-	-	-	-	-
Charges for services	758,044	8,580	-	14,144	-	2,000,000
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	8,580	4,000,000	-	530,377	-
Total receipts	833,848	17,160	4,000,000	14,144	530,377	2,000,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	209,000	12,612	31,904	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	833,848	17,160	-	-	24,190	1,194,833
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	833,848	17,160	209,000	12,612	56,094	1,194,833
Excess (deficiency) of receipts over disbursements	-	-	3,791,000	1,532	474,283	805,167
Cash and investments - ending	\$ -	\$ -	\$ 3,791,000	\$ 1,532	\$ 474,283	\$ 805,167

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	TANF Summer Youth	Consolidated Area Exp	NWI HCBI	Wheel Exc Surtax	Wheel Tax	Child Restraint
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	695,038	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	1,050,293	240,329	-
Charges for services	-	-	-	-	-	5,874
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	245,077	-	28,744	-	-	-
Total receipts	245,077	695,038	28,744	1,050,293	240,329	5,874
Disbursements:						
Personal services	344,556	-	-	-	-	911
Supplies	-	-	-	-	-	918
Other services and charges	-	-	-	-	-	1,136
Debt service - principal and interest	-	-	-	100,000	-	-
Capital outlay	-	-	-	-	-	2,909
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	950,000	240,329	-
Total disbursements	344,556	-	-	1,050,000	240,329	5,874
Excess (deficiency) of receipts over disbursements	(99,479)	695,038	28,744	293	-	-
Cash and investments - ending	\$ (99,479)	\$ 695,038	\$ 28,744	\$ 293	\$ -	\$ -

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Ambulance/Ems Nonreverting	Protective Services Grant I	Protective Services Grant II	Equal Opportunity Commission Hr	Tourism Project	Youth Services Bureau
Cash and investments - beginning	\$ 3,439,224	\$ (1,023,534)	\$ 45,684	\$ 1,606	\$ 58,657	\$ 1,531
Receipts:						
Taxes	-	-	-	27,300	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	2,380	39,110	39,695	61,481
Charges for services	4,119,611	-	-	-	-	-
Fines and forfeits	300	-	42,801	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	35,500	-	26,566	-	1,500	13,885
Total receipts	4,155,411	-	71,747	66,410	41,195	75,366
Disbursements:						
Personal services	619,850	-	-	55,800	-	9,488
Supplies	184,004	-	11,390	-	-	-
Other services and charges	1,120,267	-	27,078	1,286	7,150	46,813
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,233,328	-	5,355	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	3,157,449	-	43,823	57,086	7,150	56,301
Excess (deficiency) of receipts over disbursements	997,962	-	27,924	9,324	34,045	19,065
Cash and investments - ending	\$ 4,437,186	\$ (1,023,534)	\$ 73,608	\$ 10,930	\$ 92,702	\$ 20,596

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Home Program	Emergency Shelter Grant	Brownfield	Healthy Families	Marquette Park	Gleason Golf Course
Cash and investments - beginning	\$ 208,890	\$ 820	\$ 550	\$ 19,291	\$ 62,173	\$ 2,130
Receipts:						
Taxes	-	249,149	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	7,374	203,921	23,517
Fines and forfeits	-	-	-	-	5,121	16,493
Utility fees	-	-	-	-	-	-
Other receipts	525,964	4,160	-	-	-	5,275
Total receipts	525,964	253,309	-	7,374	209,042	45,285
Disbursements:						
Personal services	44,611	19,293	-	-	113,270	45,721
Supplies	714	-	-	2,301	6,582	-
Other services and charges	688,315	231,483	-	495	151,316	981
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	733,640	250,776	-	2,796	271,168	46,702
Excess (deficiency) of receipts over disbursements	(207,676)	2,533	-	4,578	(62,126)	(1,417)
Cash and investments - ending	\$ 1,214	\$ 3,353	\$ 550	\$ 23,869	\$ 47	\$ 713

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Emergency Shelter	Comprehensive Community Program	Landfill Closure	Landfill Trust	Solid Waste Recycling Project	Environmental Management
Cash and investments - beginning	\$ (625,105)	\$ 8,806	\$ 21,603	\$ 1,178,387	\$ 144,952	\$ 13,586
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	1,779	-	-	-	450,824	-
Fines and forfeits	-	22,602	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	316,773	36,579	-	39,931	218	-
Total receipts	318,552	59,181	-	39,931	451,042	-
Disbursements:						
Personal services	375,090	-	-	-	377,194	-
Supplies	9,581	-	-	-	10,715	-
Other services and charges	24,830	36,944	7,574	-	26,507	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	3,519	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	393	-	-
Total disbursements	409,501	40,463	7,574	393	414,416	-
Excess (deficiency) of receipts over disbursements	(90,949)	18,718	(7,574)	39,538	36,626	-
Cash and investments - ending	\$ (716,054)	\$ 27,524	\$ 14,029	\$ 1,217,925	\$ 181,578	\$ 13,586

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Health And Human Services	Supplemental Adult Probation Svcs	Gary Health Department Rental	Park Nonreverting	Vehicle Auction	Bioterrorism
Cash and investments - beginning	\$ (469,000)	\$ 15,383	\$ 21,432	\$ 12,437	\$ 27,200	\$ (10,665)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	62,880
Charges for services	65,300	-	-	2,671	-	-
Fines and forfeits	-	65,556	3,425	115,110	-	-
Utility fees	-	-	-	-	-	-
Other receipts	336,595	-	-	14,345	82,170	-
Total receipts	401,895	65,556	3,425	132,126	82,170	62,880
Disbursements:						
Personal services	268,234	64,910	-	120,611	7,653	11,841
Supplies	18,553	-	1,088	4,877	7,629	1,366
Other services and charges	71,053	-	1,391	2,347	10,222	49,257
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	3,460	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	12,804	-	-	5,600	-	-
Total disbursements	370,644	64,910	2,479	136,895	25,504	62,464
Excess (deficiency) of receipts over disbursements	31,251	646	946	(4,769)	56,666	416
Cash and investments - ending	\$ (437,749)	\$ 16,029	\$ 22,378	\$ 7,668	\$ 83,866	\$ (10,249)

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Community Development Block Grant	Redevelopment Operating	Summer Jobs Training Program	Fair Housing Project	Genesis Civic Center	Media
Cash and investments - beginning	\$ 101,279	\$ 97,023	\$ 5,797	\$ 35,614	\$ 20,183	\$ 430,688
Receipts:						
Taxes	-	104,663	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	2,769,618	7,678	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	16	-	-	-	371,089
Utility fees	-	-	-	-	-	-
Other receipts	61,677	825	7,321	8,333	202,165	56,926
Total receipts	2,831,295	113,182	7,321	8,333	202,165	428,015
Disbursements:						
Personal services	1,566,542	103,367	39,284	36,046	125,751	363,474
Supplies	3,124	7,057	-	-	67,959	6,483
Other services and charges	1,206,553	77,368	5,034	1,021	25,262	20,420
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	19,722	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	239
Total disbursements	2,795,941	187,792	44,318	37,067	218,972	390,616
Excess (deficiency) of receipts over disbursements	35,354	(74,610)	(36,997)	(28,734)	(16,807)	37,399
Cash and investments - ending	\$ 136,633	\$ 22,413	\$ (31,200)	\$ 6,880	\$ 3,376	\$ 468,087

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Clerk Perpetuation	Genesis Center Operating	Leased Properties - Gary Bldg Corp.	State Air Grant	Hazardous Material	Economic Development Bond Comm
Cash and investments - beginning	\$ 63,600	\$ 15,873	\$ (232,721)	\$ 651	\$ 710	\$ 11,376
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	1,100
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	25,174	-	8,000	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	409,357	4,000	-	-	-
Total receipts	25,174	409,357	12,000	-	-	1,100
Disbursements:						
Personal services	12,445	298,655	-	-	-	-
Supplies	-	74,812	-	-	-	-
Other services and charges	4,057	51,135	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	16,502	424,602	-	-	-	-
Excess (deficiency) of receipts over disbursements	8,672	(15,245)	12,000	-	-	1,100
Cash and investments - ending	\$ 72,272	\$ 628	\$ (220,721)	\$ 651	\$ 710	\$ 12,476

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Alcohol And Drug Treatment	New Birth Grant	Remote Encoding Center	Mayor Donations	Lakefront Development	Social Services
Cash and investments - beginning	\$ 175	\$ 22	\$ 7,431	\$ 4,170	\$ 1,082,441	\$ 6,058
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	75,000	-	1,708	49,029	-	1,170
Total receipts	75,000	-	1,708	49,029	-	1,170
Disbursements:						
Personal services	71,046	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	44,581	-	7,228
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	71,046	-	-	44,581	-	7,228
Excess (deficiency) of receipts over disbursements	3,954	-	1,708	4,448	-	(6,058)
Cash and investments - ending	\$ 4,129	\$ 22	\$ 9,139	\$ 8,618	\$ 1,082,441	\$ -

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Special Events	City Council Donations	Special Project Donations	Economic Development Trust	Community Development Loan Program	Police Donations
Cash and investments - beginning	\$ 2,188	\$ 93	\$ 75	\$ 3,939	\$ 15,458	\$ 14,035
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	16,020	1,370	-	276	-	500
Total receipts	16,020	1,370	-	276	-	500
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	4,835	803	-	-	180	1,000
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	4,215	-	-
Total disbursements	4,835	803	-	4,215	180	1,000
Excess (deficiency) of receipts over disbursements	11,185	567	-	(3,939)	(180)	(500)
Cash and investments - ending	\$ 13,373	\$ 660	\$ 75	\$ -	\$ 15,278	\$ 13,535

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Weed And Seed	Welfare Excess	Human Relations	Cmaq Vehicles	Hope Vi Pilot	Energy Efficient
Cash and investments - beginning	\$ 9,203	\$ 6,272	\$ 5,000	\$ 21,500	\$ 434,506	\$ 1,098
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	124,787	-
Charges for services	-	-	-	1,826	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	3,588	-	-	-
Total receipts	-	-	3,588	1,826	124,787	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	3,588	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	41,416	-
Total disbursements	-	-	3,588	-	41,416	-
Excess (deficiency) of receipts over disbursements	-	-	-	1,826	83,371	-
Cash and investments - ending	\$ 9,203	\$ 6,272	\$ 5,000	\$ 23,326	\$ 517,877	\$ 1,098

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Filming Fees	Chrp	Neighborhood Stabilization Program	Lead Base Paint Hazzard Control G	2007 Go Judgment Funding Bonds	Baseball Maintenance
Cash and investments - beginning	\$ 16,988	\$ 63,198	\$ 228,975	\$ 201,482	\$ 33,066	\$ 1
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	57,175	75,911	-	-
Fines and forfeits	3,000	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	3,000	-	57,175	75,911	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	1,710	-	-
Other services and charges	-	-	22,660	23,781	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	418	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	22,660	25,909	-	-
Excess (deficiency) of receipts over disbursements	3,000	-	34,515	50,002	-	-
Cash and investments - ending	\$ 19,988	\$ 63,198	\$ 263,490	\$ 251,484	\$ 33,066	\$ 1

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Grant/Buchanan Street Project	Park Construction	Clean Up/Beautification	911 Equipment	Consolidated Area Tif District	Lakefront Tif District
Cash and investments - beginning	\$ 42,989	\$ 85,488	\$ 294	\$ 494	\$ 640,307	\$ 2,320,109
Receipts:						
Taxes	-	-	-	-	804,965	1,229,247
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	12,000	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	32,100	-	-	1,193,633	1,200,916
Total receipts	-	32,100	-	-	2,010,598	2,430,163
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	311,395	1,197,273
Debt service - principal and interest	-	-	-	-	2,089,308	-
Capital outlay	-	117,426	-	-	110,275	858,522
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	720,000
Total disbursements	-	117,426	-	-	2,510,978	2,775,795
Excess (deficiency) of receipts over disbursements	-	(85,326)	-	-	(500,380)	(345,632)
Cash and investments - ending	\$ 42,989	\$ 162	\$ 294	\$ 494	\$ 139,927	\$ 1,974,477

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Marquette Renovation	Lady Liberty Restoration	Guea Properties	Madison Avenue Tif District	Midwest Center Tif District	Lancaster Dusable Tif District
Cash and investments - beginning	\$ 983	\$ 442	\$ 549,642	\$ 607,526	\$ 422,080	\$ 17,715
Receipts:						
Taxes	-	-	-	87,847	226,497	37,609
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	-	87,847	226,497	37,609
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	58,465	-	36,519
Capital outlay	-	-	-	528,181	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	586,646	-	36,519
Excess (deficiency) of receipts over disbursements	-	-	-	(498,799)	226,497	1,090
Cash and investments - ending	\$ 983	\$ 442	\$ 549,642	\$ 108,727	\$ 648,577	\$ 18,805

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Joint Public Safety Training	Dalton Arms Tif District	County Market Tif District	Kenney's Ribs Tif District	Fire Capital Equipment	Truck City Of Gary Allocation Area
Cash and investments - beginning	\$ 6,781	\$ 37,515	\$ 2,488	\$ 13,719	\$ 74,614	\$ 97,891
Receipts:						
Taxes	-	37,607	377,411	-	-	161,060
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	7,750	244,472	-	-	57,523	-
Total receipts	7,750	282,079	377,411	-	57,523	161,060
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	190	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	307,906	578,025	-	-	110,558
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	190	307,906	578,025	-	-	110,558
Excess (deficiency) of receipts over disbursements	7,560	(25,827)	(200,614)	-	57,523	50,502
Cash and investments - ending	\$ 14,341	\$ 11,688	\$ (198,126)	\$ 13,719	\$ 132,137	\$ 148,393

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Payroll	County Health	Empowerment Zone	Empowerment Zone Revolving	Microloan	City Clerk - Civil Division
Cash and investments - beginning	\$ 62,478	\$ 1,708	\$ 10,466	\$ 50,314	\$ 923	\$ 11,205
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	7,290	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	12,986	-	55,462	8	-	132,446
Total receipts	12,986	7,290	55,462	8	-	132,446
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	3,774	65,928	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	50,322	923	127,184
Total disbursements	-	3,774	65,928	50,322	923	127,184
Excess (deficiency) of receipts over disbursements	12,986	3,516	(10,466)	(50,314)	(923)	5,262
Cash and investments - ending	\$ 75,464	\$ 5,224	\$ -	\$ -	\$ -	\$ 16,467

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	City Clerk - Criminal Division	Miscellaneous Refunds	Redevelopment Depository Trust	Withholdings	Supplemental Public Defender	Confiscated Property
Cash and investments - beginning	\$ 733,834	\$ 16,248	\$ 6,667	\$ 157,173	\$ 3,450	\$ 120,177
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	41,294	-
Utility fees	-	-	-	-	-	-
Other receipts	1,109,700	-	876	23,393,029	-	9,844
Total receipts	1,109,700	-	876	23,393,029	41,294	9,844
Disbursements:						
Personal services	-	-	-	-	23,693	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	62,702
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,128,075	-	-	23,396,194	-	-
Total disbursements	1,128,075	-	-	23,396,194	23,693	62,702
Excess (deficiency) of receipts over disbursements	(18,375)	-	876	(3,165)	17,601	(52,858)
Cash and investments - ending	\$ 715,459	\$ 16,248	\$ 7,543	\$ 154,008	\$ 21,051	\$ 67,319

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Salary Fee Judicial	Gary Storm Water Management District (GSWMD)	GSDWM E. Ridge Road Project	Gsd Wwtp General Operating	Gsd Bond And Interest	Gsd Sewer Construction
Cash and investments - beginning	\$ 23,003	\$ 6,205,901	\$ 42,921	\$ 599,078	\$ 1,918,599	\$ 27,352
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	2,554,334	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	25,180	-	-	-	-	-
Utility fees	-	-	-	25,170,205	-	-
Other receipts	-	56,382	-	10,578,517	3,089,703	107
Total receipts	25,180	2,610,716	-	35,748,722	3,089,703	107
Disbursements:						
Personal services	32,490	212,281	-	5,554,971	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	60,707	-	2,990,462	-	-
Debt service - principal and interest	-	-	-	-	2,764,453	-
Capital outlay	-	1,416,063	-	955,039	-	-
Utility operating expenses	-	2,501,442	-	14,320,368	-	-
Other disbursements	-	200	-	10,402,008	-	-
Total disbursements	32,490	4,190,693	-	34,222,848	2,764,453	-
Excess (deficiency) of receipts over disbursements	(7,310)	(1,579,977)	-	1,525,874	325,250	107
Cash and investments - ending	\$ 15,693	\$ 4,625,924	\$ 42,921	\$ 2,124,952	\$ 2,243,849	\$ 27,459

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Gsd Sewer Operating	Gsd Solid Waste Disposal	Gsd Debt Service	Gsd Grand Calumet Sedimentation	Gsd Debt Service Reserve
Cash and investments - beginning	\$ 164,547	\$ 33,218	\$ 3,170,312	\$ 2,817,996	\$ 2,849,286
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	69,216	-	28,190	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	396	5,700,006	208,735	13,579	208,167
Total receipts	69,612	5,700,006	236,925	13,579	208,167
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	59,000	5,685,724	-	26,509	-
Other disbursements	-	-	-	-	-
Total disbursements	59,000	5,685,724	-	26,509	-
Excess (deficiency) of receipts over disbursements	10,612	14,282	236,925	(12,930)	208,167
Cash and investments - ending	\$ 175,159	\$ 47,500	\$ 3,407,237	\$ 2,805,066	\$ 3,057,453

CITY OF GARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Gsd Equipment Replacement	Gsd/Wrep Economic Development	Gsd Beach Sampling	Gsd E Coli	Totals
Cash and investments - beginning	\$ 11,628,955	\$ 1,981	\$ 175,434	\$ 126,628	\$ 40,077,385
Receipts:					
Taxes	-	-	31,360	-	40,854,635
Licenses and permits	-	-	-	-	1,250,140
Intergovernmental receipts	-	-	-	-	30,939,139
Charges for services	-	-	-	-	11,431,284
Fines and forfeits	-	-	-	-	1,068,367
Utility fees	-	-	-	-	25,170,205
Other receipts	1,865,692	-	-	-	134,671,870
Total receipts	1,865,692	-	31,360	-	245,385,640
Disbursements:					
Personal services	-	-	-	-	74,327,717
Supplies	-	-	-	-	2,149,072
Other services and charges	-	-	-	-	39,559,809
Debt service - principal and interest	-	-	-	-	27,186,200
Capital outlay	980,749	-	-	-	15,530,034
Utility operating expenses	-	-	-	-	22,593,043
Other disbursements	-	-	-	-	58,591,966
Total disbursements	980,749	-	-	-	239,937,841
Excess (deficiency) of receipts over disbursements	884,943	-	31,360	-	5,447,799
Cash and investments - ending	\$ 12,513,898	\$ 1,981	\$ 206,794	\$ 126,628	\$ 45,525,184

CITY OF GARY  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2017

Government or Enterprise	Accounts Payable	Accounts Receivable
Storm Water Management District	\$ -	\$ 25,825
Gsd	17,158,323	1,465,475
Governmental activities	<u>1,397,044</u>	<u>3,933,825</u>
Totals	<u>\$ 18,555,367</u>	<u>\$ 5,425,125</u>

CITY OF GARY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Fifth Third Bank	Police Cars	\$ 417,043	06/08/2015	01/15/2023
Fifth Third Bank	Vehicle Maintenance building renovation	184,969	06/08/2015	01/15/2023
Ford Credit	Trucks	62,934	02/24/2017	02/24/2021
Ford Credit	Squad Cars	340,678	02/15/2017	02/15/2021
Motorola Credit Corporation	Radio Equipment	427,305	10/01/2014	10/01/2019
KS State Bank	Fire Engine and Equipment	<u>274,467</u>	12/01/2017	12/01/2023
Total of annual lease payments		<u>\$ 1,707,396</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	Local Wheel Revenue Bonds of 2017	\$ 3,910,000	\$ 771,733
Revenue bonds	Special Tax Revenue Bonds Series 2016	11,325,000	1,475,391
Revenue bonds	Tax Increment Revenue Bond Series 2012	435,000	441,242
Revenue bonds	US Dept. of Housing & Dvlp Section 108 Loan	<u>2,200,000</u>	<u>10,956</u>
Total governmental activities		<u>17,870,000</u>	<u>2,699,322</u>
Gsd:			
Revenue bonds	Sewage Works Revenue Bonds of 2011 Series A	20,895,000	1,257,617
Revenue bonds	Sanitary District Refunding Revenue Bonds Series 2013	<u>7,145,000</u>	<u>1,501,567</u>
Total Gsd		<u>28,040,000</u>	<u>2,759,184</u>
Totals		<u>\$ 45,910,000</u>	<u>\$ 5,458,506</u>

CITY OF GARY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2017

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.

	Ending Balance
Governmental activities:	
Land	\$ 32,659,636
Infrastructure	142,743,066
Buildings	176,750,314
Improvements other than buildings	12,309,239
Machinery, equipment, and vehicles	41,513,235
Construction in progress	<u>7,244,091</u>
Total governmental activities	<u>413,219,581</u>
Storm Water Management District:	
Land	320,084
Buildings	4,256,248
Improvements other than buildings	12,130,899
Machinery, equipment, and vehicles	2,026,159
Construction in progress	<u>3,550,999</u>
Total Storm Water Management District	<u>22,284,389</u>
Gsd:	
Land	1,558,886
Buildings	106,192,231
Improvements other than buildings	207,540,757
Machinery, equipment, and vehicles	66,169,088
Construction in progress	13,036,472
Books and other	<u>3,913,137</u>
Total Gsd	<u>398,410,571</u>
Total capital assets	<u>\$ 833,914,541</u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CITY OF GARY, LAKE COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited the City of Gary's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017. 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.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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.

***Basis for Qualified Opinion on Community Development Block Grants/Entitlement Grants***

As described in item 2017-002 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements regarding Reporting that are applicable to its Community Development Block Grants/Entitlement Grants. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

***Basis for Qualified Opinion on Assistance to Firefighters Grant***

As described in item 2017-004 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements regarding Equipment and Real Property Management that are applicable to its Assistance to Firefighters Grant. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

***Qualified Opinion on Community Development Block Grants/Entitlement Grants***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Community Development Block Grants/Entitlement Grants* paragraph, 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 Community Development Block Grants/Entitlement Grants for the year ended December 31, 2017.

***Qualified Opinion on Assistance to Firefighters Grant***

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Assistance to Firefighters Grant* paragraph, 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 Assistance to Firefighters Grant for the year ended December 31, 2017.

***Other Matters***

The City's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the 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 our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 a 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-003, and 2017-004, that we consider to be material weaknesses.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

November 1, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the City. The schedule and notes are presented as intended by the City.

CITY OF GARY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<b>Department of Agriculture</b>					
Child Nutrition Cluster					
Summer Food Service Program for Children	Indiana Department of Education	10.559			
Summer Food Service Program for Children			#71817IN109942SF	\$ -	\$ 61,481
Total - Child Nutrition Cluster				-	61,481
Total - Department of Agriculture				-	61,481
<b>Department of Commerce</b>					
Coastal Zone Management Administration Awards	Indiana Department of Natural Resources				
Lake Michigan Coastal Program		11.419	#300NP1CZM160306	-	12,000
Total - Department of Commerce				-	12,000
<b>Department of Housing and Urban Development</b>					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	Direct				
Community Development Block Grant		14.218	B-08-MN-18-0005	-	45,583
Community Development Block Grant		14.218	B-11-MN-18-0005	-	11,592
Community Development Block Grant		14.218	B-13-MC-18-0005	-	7,021
Community Development Block Grant		14.218	B-14-MC-18-0005	-	229,553
Community Development Block Grant		14.218	B-14-MC-18-0005 (Section 108 Loan)	-	1,341,187
Community Development Block Grant		14.218	B-15-MC-18-0005	3,689	928,971
Community Development Block Grant		14.218	B-16-MC-18-0005	64,600	2,117,357
Community Development Block Grant		14.218	B-17-MC-18-0005	-	22,011
Total - Community Development Block Grants/Entitlement Grant				68,289	4,703,275
Total - CDBG - Entitlement Grants Cluster				68,289	4,703,275
Emergency Solutions Grant Program	Direct				
Emergency Solutions Grants Program		14.231	E-15-MC-180005	65,992	80,235
Emergency Solutions Grants Program		14.231	E-16-MC-180005	163,839	168,169
Total - Emergency Solutions Grant Program				229,831	248,404
Home Investment Partnerships Program	Direct				
Home Investment Partnerships Programs		14.239	M-10-MC-18-0203	-	83,496
Home Investment Partnerships Programs		14.239	M-11-MC-18-0203	-	376,479
Home Investment Partnership Programs		14.239	M-15-MC-18-0203	-	28,612
Home Investment Partnership Programs		14.239	M-16-MC-18-0203	-	231,163
Home Investment Partnership Programs		14.239	M-17-MC-18-0203	-	16,461
Total - Home Investment Partnerships Program				-	736,211
Choice Neighborhoods Planning Grants	Direct				
University Park East		14.892	IN5H520CNP114	-	72,114
Total - Department of Housing and Urban Development				229,831	5,760,004
<b>Department of the Interior</b>					
National Fish and Wildlife Foundation	Direct				
National Fish and Wildlife Foundation		15.663	Project #46238	-	187,719
Total - Department of the Interior				-	187,719
<b>Department of Justice</b>					
Youth Gang Prevention	Direct				
Drug Court Discretionary Court Program/ National Initiative Building Community Trust		16.544	2015-JV-FX-0005	-	73,784
Crime Victim Assistance	Indiana Criminal Justice Institute				
Crime Victim Assistance		16.575	#03215VAGX006403	-	33,257
Crime Victim Compensation	Indiana Criminal Justice Institute				
Crime Victim Compensation		16.576	#03216VCGX005303	-	1,880
Bulletproof Vest Partnership Program	Direct				
Bullet Proof Vest		16.607	BVP-FY2017	-	2,380
Equitable Sharing Program	Direct				
Equitable Sharing Program		16.922	DEA-FY2017	-	35,638
Total - Department of Justice				-	146,939
<b>Department of Transportation</b>					
Highway Planning and Construction Cluster					
Highway Planning and Construction CLC	Indiana Department of Transportation	20.205	DES#0710384	-	1,826
Highway Planning and Construction SR912	Indiana Department of Transportation	20.205	DES#1173663	-	30,050
Total - Highway Planning and Construction Cluster				-	31,876

CITY OF GARY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
Highway Safety Cluster National Priority Safety Programs Operation Pull Over	Indiana Criminal Justice Institute	20.616	D3-17-11077	-	49,997
Total - Highway Safety Cluster				-	49,997
Total - Department of Transportation				-	81,873
<u>Equal Employment Opportunity Commission</u>					
Employment Discrimination Title VII of the Civil Rights Act of 1964 Employment Discrimination-State and Local Fair Employment Practices Agency Contracts	Direct	30.001	EEC45017C0056	-	57,086
Total - Equal Employment Opportunity Commission				-	57,086
<u>Environmental Protection Agency</u>					
State Indoor Radon Grants Bioterrorism - CRI	Indiana State Department of Health	66.032	14451	-	2,983
Great Lakes Program Grey to Green; Vacant to Vibrant Initiative	Direct	66.469	00E01272	-	24,700
Beach Monitoring and Notification Program Implementation Grants Beach Monitoring and Notification Program Implementation Grants	Direct	66.472	CZ 656	-	31,360
Total - Environmental Protection Agency				-	59,043
<u>Department of Health and Human Services</u>					
Immunization Cooperative Agreements Childhood Immunization	Indiana State Department of Health	93.268	#40093268PPHF016	-	26,250
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Bioterrorism-CRI	Indiana State Department of Health	93.074	U90TP000521	-	62,880
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds PPHF Capacity building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	Indiana State Department of Health	93.539	#40093539PPHF017	-	22,378
Social Services Block Grant SSBG	Indiana Criminal Justice Institute	93.667	D3-17-11674	-	12,260
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services Family Violence Prevention and Services/ Battered Women's Shelters/Family Violence	Indiana Criminal Justice Institute	93.671	D3-16-9981	-	8,732
HIV Care Formula Grants HIV Care Formula Grants	Indiana State Department of Health	93.917	#40093917RWCAT17	-	157,096
Sexually Transmitted Diseases (STD) Prevention and Control Grants Sexually Transmitted Disease	Indiana State Department of Health	93.977	H25S004337	-	43,210
Maternal and Child Health Services Block Grant to the States Maternal and Child Health Clinic	Indiana State Department of Health	93.994	14513	-	47,469
Total - Department of Health and Human Services				-	380,275
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) Arctic Blast	Indiana Department of Homeland Security	97.036	Project#385PA4173	-	2,160
Assistance to Firefighters Grant Assistance to Firefighters Grant Program	Direct	97.044	EMW-2015-FO4M597	-	758,004
Total - Department of Homeland Security				-	760,164
Total federal awards expended				\$ 298,120	\$ 7,506,584

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF GARY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
97.044	CDBG - Entitlement Grants Cluster Assistance to Firefighters Grant	Qualified Qualified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
--	----

**Section II - Financial Statement Findings**

**FINDING 2017-001**

Subject: Financial Transactions and Reporting  
Audit Findings: Material Weakness, Noncompliance

*Condition*

There were several deficiencies in the internal control system of the City related to financial transactions and reporting. There was a lack of segregation of duties as the City had not separated incompatible activities related to cash and investments, journal entries, receipts, and financial reporting, including the financial statement and the Schedule of Expenditures of Federal Awards (SEFA). There were no documented controls to ensure the accuracy and timeliness of the recordkeeping and reporting functions.

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

In addition, the City had no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting required the City to monitor and assess the quality of the system of internal control.

*Cash and Investments (Bank Reconciliations)*

*City*

A check list was maintained to support that the bank reconciliations were reviewed; however, the check list was not monitored and was not effective. The City's controls did not ensure that all bank accounts were included on the check list, and that all of the accounts were reconciled.

Two bank accounts, with bank balances totaling \$895,050, were not reconciled as of December 31, 2017. These missing reconciliations could not be verified as reviewed through the City's process.

The City had 58 bank accounts. The City routinely transferred money from one bank account to another in order to avoid overdrawn bank accounts. The City performed a combined reconciliation, which included amounts owed from one bank to another; however, the transfers to banks did not reconcile to the transfers from banks by \$17,011. Accumulated transfers to and from banks as of December 31, 2017, totaled \$11,183,690, and \$11,166,679, respectively.

The City's bank accounts have not been reconciled in total since December 31, 2017.

*Gary Sanitary District*

A consultant reconciled the bank accounts for the Sanitary District funds. The reconciliation was subsequently reviewed by Sanitary District officials as signified by a signature; however, the date the reconciliation was performed and reviewed was not noted.

The reconciliations performed for all months in 2017 did not have either the date it was reconciled or the date the reconciliation was reviewed; thus, it could not be determined if the bank accounts were reconciled timely. As of August 2018, the most current reconciliations provided were for the month of January 2018.

*Journal Entries*

The City and Sanitary District did not have an effective system of internal controls to ensure that journal entries were posted accurately, timely, and to the appropriate fiscal period. The computer software allowed the City and Sanitary District to post journal entries to prior accounting periods. There were also no controls to ensure that records that supported adjustments which required correction by journal entry were retained and available for audit.

Adjustments identified from bank reconciliations were not posted timely and were posted to prior accounting periods. The computer software used by the City and Sanitary District allowed for journal entries to be posted to prior periods by indicating an effective date for the journal entry.

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

A journal entry to record collections of \$1,128,798 from Sanitary District customers was posted on August 30, 2017, with an effective date of December 31, 2016, to the 2016 ledger based upon the December 31, 2016 bank reconciliation. The collections were actually received in January 2017, so subsequent journal entries were recorded in September 2017 with prior period effective dates to correct the errors.

Adjustments totaling \$359,825 identified on the Sanitary District's December 31, 2017 bank reconciliations were not posted until April 18, 2018, with effective dates of December 31, 2017. These adjustments were not captured within the 2017 financial statement due to timing of the posting. Part of this adjustment included the removal of a duplicate posting of collections totaling \$166,386 from a Sanitary District customer on June 27, 2017, originally identified on the June 30, 2017 bank reconciliation. When the adjustment was recorded, the cash account was properly corrected; however, the receipts were not adjusted to remove the duplicate collection.

*Receipts*

The City did not have controls to ensure that collections were recorded timely and to the correct funds.

The City did not record state distributions timely. The City recorded 58 of the 166 distributions from 16 to 300 days after the funds were electronically deposited by the state. The distributions ranged from \$150 to \$1,000,000. Transactions were not recorded in the City's financial system until the employee in charge of entering the transaction received a form from the appropriate department. This process delayed various entries of receipts.

The City also did not record county tax distributions timely. The City deposited \$1,411,275 in storm water distributions on June 22, 2017, but the collections were not recorded until December 27, 2017.

*Financial Reporting*

*Financial Statement*

The City prepared and submitted the financial information into the Indiana Gateway for Government Units financial reporting system, which was the source for the financial statement. There was no evidence of an oversight or review process to detect and correct errors before submission.

*Schedule of Expenditures of Federal Awards (SEFA)*

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the SEFA. Due to the lack of controls, the SEFA presented for audit included the following errors:

1. The SEFA excluded the Assistance to Firefighters Grant of \$758,004.
2. The SEFA excluded the Community Development Block Grant Section 108 Loan of \$1,341,187.
3. The SEFA excluded program income totaling \$82,936, which is required to be reported by the City.

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

4. The SEFA excluded \$32,162 in Youth Gang Prevention grant expenditures.
5. The SEFA excluded \$4,959 in Equitable Sharing Program grant expenditures.
6. The SEFA over reported \$16,322 in Emergency Solutions Grant Program expenditures.
7. The SEFA over reported \$3,000 in Crime Victim Assistance grant expenditures.
8. Amounts reported as passed through to subrecipients were over reported by \$1,349,269 due to reporting expenditures by other City departments as subrecipients.
9. Various other grants had incorrect grant names or identifying numbers.

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

When it is determined that an error has been posted in the financial records, the error must be corrected in a timely manner. The correction of the error should be dated as of the date that the correction occurred and should not be back dated to the date the error occurred. The adjustment should be labeled as a correcting entry. All documentation of the error and the adjustments must be maintained to support the correction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

*"Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

*Cause*

Management of the City had not established a proper system of internal control that segregated key functions. Management also had not conducted a risk assessment related to the City's financial transactions and reporting.

*Effect*

The failure to establish controls enabled misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the City at risk that controls were either not designed properly or not operating effectively to provide reasonable assurance that controls would have prevented, or detected and corrected, material misstatements in a timely manner.

*Recommendation*

We recommended that the City's management design and implement a proper system of internal controls, which would segregate key functions and also perform periodic monitoring of its system of internal controls. Internal controls should be developed in a way to prevent, or detect and correct, errors in financial transactions and reporting. We recommended the City reconcile bank accounts in accordance with State Statute, record journal entries and receipts in a timely manner, and ensure the accuracy of the SEFA.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2017-002**

Subject: CDBG - Entitlement Grants Cluster - Reporting  
Federal Agency: Department of Housing and Urban Development  
Federal Program: Community Development Block Grants/Entitlement Grants  
CFDA Number: 14.218  
Federal Award Number and Year or (Other Identifying Number): B-14-MC-18-0005 (Section 108 Loan)  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Modified Opinion

*Condition*

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the reporting requirements.

The City had not designed or implemented adequate policies and procedures to ensure that monthly reports for the Section 108 Loan were accurately prepared and submitted. There was no oversight, review, or monitoring process.

The City did not comply with the reporting requirement for Section 108 Loans that monthly reports be submitted concerning the Guaranteed Loan Funds Account and the Debt Service Reserve Account.

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period. For all twelve months, no Section 108 Loan reports were prepared or filed.

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

The Contract for Loan guarantee Assistance under Section 108 of the Housing and Community Development Act of 1974 number B-14-MC-18-0005, Hudson Campbell Sports and Fitness Center, dated November 14, 2014, states in Part II:

1. Receipt, Deposit and Use of Guaranteed Loan Funds (b):

"The Borrower shall by the fifteenth day of each month provide the Secretary with a written statement showing the balance of funds in the Guaranteed Loan Funds Account and the withdrawals from such account during the preceding calendar month, and a statement identifying the obligations and their assignments in the Guaranteed Loan Funds Investment Account."

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

6. Loan Repayment Account (b):

"The Borrower shall by the fifteenth day of each month, provide the Secretary with a written statement showing the balance of funds in the Loan Repayment Account and the deposits and withdrawals of all funds in such account during the preceding calendar month and a statement identifying the obligations and their assignments in the Loan Repayment Investment Account."

15. Special Conditions and Modifications (c) (ii):

"The Borrower shall by the fifteenth day of each month provide the Secretary with a written statement showing the balance of funds in the debt service reserve account and the withdrawals from such account during the preceding calendar month."

*Cause*

The City's management had not developed a system of internal controls that would have ensured compliance with the reporting requirements.

*Effect*

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with grant agreement and reporting requirements could have resulted in the loss of federal funds to the City.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the City's management establish controls to ensure compliance and comply with the grant agreement and the Reporting compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2017-003**

Subject: Assistance to Firefighters Grant - Internal Controls  
Federal Agency: Department of Homeland Security  
Federal Program: Assistance to Firefighters Grant  
CFDA Number: 97.044  
Federal Award Number and Year or (Other Identifying Number): EMW-2015-FO-04597  
Compliance Requirements: Cash Management; Period of Performance; Matching,  
Level of Effort, Earmarking; Reporting  
Audit Finding: Material Weakness

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the compliance requirements listed above.

*Cash Management*

One employee completed the drawdown request without evidence of a proper system of oversight to ensure grant funds were spent timely.

*Period of Performance*

The City did not have a documented system of oversight to ensure grant funds were expended within the period of performance.

*Level of Effort - Maintenance of Effort*

The City was not aware of the maintenance of effort requirements; therefore, controls were not established to ensure compliance.

*Reporting*

The City did not have a documented system of review or oversight to ensure that reports were accurate, complete, and submitted timely.

*Context*

The lack of an effective internal control system was a systemic issue throughout the audit period.

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

- (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

*Cause*

The City's management had not developed or implemented a system of internal controls to ensure compliance with the grant agreement and the compliance requirements listed above.

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the compliance requirements listed above.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2017-004***

Subject: Assistance to Firefighters Grant - Equipment  
Federal Agency: Department of Homeland Security  
Federal Program: Assistance to Firefighters Grant  
CFDA Number: 97.044  
Federal Award Number and Year or (Other Identifying Number): EMW-2015-FO-04597  
Compliance Requirement: Equipment and Real Property Management  
Audit Findings: Material Weakness, Modified Opinion

*Condition*

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the equipment requirements.

The City did not have adequate policies and procedures to ensure compliance with the requirements that equipment disposals be removed from the inventory records, or that the equipment records comply with the federal property records requirements.

The City's property records indicated the total cost for all equipment purchased. The records did not include the cost of each item, or a serial number or other identifying number. The City disposed of fire equipment purchased with federal funds totaling \$703,402, but did not remove it from City's equipment inventory.

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period.

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR 200.313(d) states in part:

*"Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. . . ."

*Cause*

The City's management had not developed or implemented a system of internal controls that would have ensured compliance with the grant agreement and the equipment requirements.

*Effect*

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreement and the equipment requirements could have resulted in the loss of federal funds to the City.

*Questioned Costs*

There were no questioned costs identified.

CITY OF GARY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the City's management establish controls to ensure compliance and comply with the Equipment and Real Property Management compliance requirement.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are presented as intended by the City.



**City Of Gary**

**Department of Finance**

401 Broadway

Gary, Indiana 46402

(219) 881-1363 / Fax (219) 881-1340

www.gary.in.us

**KAREN M. FREEMAN-WILSON**

Mayor

**DAYNA BENNETT**

Chief of Staff

**Angelia Hayes**

Controller

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

***FINDING 2016-001 Financial Transactions***

Fiscal year in which the finding initially occurred:	2016
Pass-Through Entity:	N/A
Contact Person Responsible for Corrective Action:	Angelia Hayes
Contact Phone Number:	219-881-1363

Status of Audit Finding:

As indicated in the corrective action plan, the City of Gary has added a signature line to the payroll register for each department head to sign. This signature confirms that amounts were reviewed and authorized for the corresponding payroll transmittal. The correction was made effective January 4, 2018, due to the fact that the City's 2016 audit was issued on December 18, 2017.

Angelia Hayes  
(Signature)

Controller  
(Title)

July 30, 2018  
(Date)



Karen Freeman-Wilson,  
Mayor

CITY OF GARY  
DEPARTMENT OF COMMERCE  
**Division of Green Urbanism**  
839 Broadway, N206 | Gary, Indiana 46402  
(219) 882 3000 | Fax (219) 882 3012  
Bhenry@ci.gary.in.us

Brenda Scott Henry,  
Director

### Summary Schedule of Prior Audit Findings

**FINDING 2016-002 Subject: Great Lakes Program - Cash Management, Reporting, Matching Federal Agency: Environmental Protection Agency Federal Program: Great Lakes Program CFDA Number: 66.469 Federal Award Number and Year (or Other Identifying Number): 00E01272 Compliance Requirements: Cash Management, Reporting, Matching, Level of Effort, Earmarking Audit Finding: Material Weakness**

Fiscal year in which the finding initially occurred: 2016  
Pass-Through Entity: N/A  
Contact Person Responsible for Corrective Action: Brenda Scott Henry  
Contact Phone Number: 219-882-3000

#### Status of Audit Finding:

##### Cash Management:

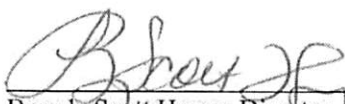
The attached flow chart notes the process the Division of Green Urbanism uses to monitor cash. The 2016 audit was not completed until December 2017 and the grant ended June 30, 2017. Therefore, no correction action plan was implemented for this grant. Moving forward, all grant project activities will include documentation to validate internal control for cash management processes as illustrated in the flow chart.

##### Grant Reporting:

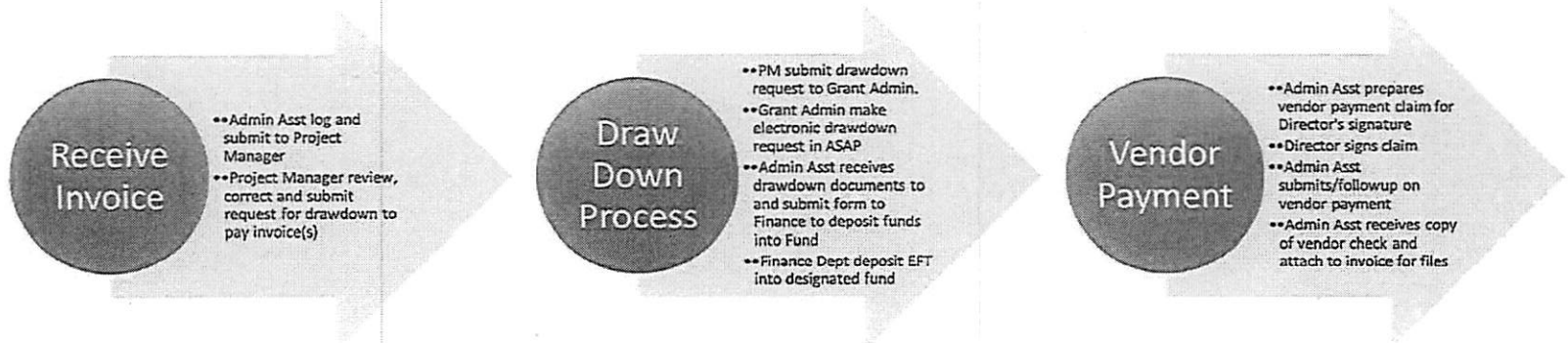
The attached flow chart notes the process the Division of Green Urbanism uses for grant report monitoring. The 2016 audit was not completed until December 2017 and the grant ended June 30, 2017. Therefore, no correction action plan was implemented for this grant. Moving forward, all grant project activities will include documentation to validate internal control for grant reporting processes as illustrated in the flow chart.

##### Cash Match Requirements:

The 2016 audit was not completed until December 2017 and the grant ended June 30, 2017. Therefore, no correction action plans was implemented for this grant. As indicated in the grant proposal, the grant matching fund consisted of grants from the Great Lakes Protection Fund (Vacant to Vibrant) and the National Fish & Wildlife Foundation. EPA did not have a formal requirement to submit cash match reporting. Moving forward, the Project Manager will compile cash match activities monthly. The Administrative Assistant will enter cash match information semi-annually into the City's accounting system and attach a detailed cash match report/documentation. All future project activities will include documentation to validate internal control and cash management processes as illustrated in the flow chart.

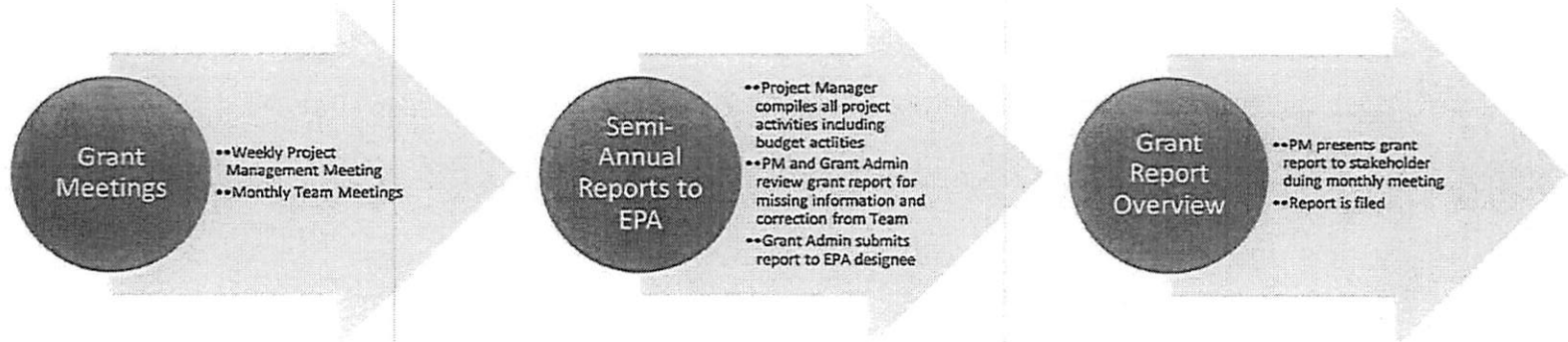
  
Brenda Scott Henry, Director  
August 20, 2018

### Grant Cash Management Process



Finding 2016-002

## Grant Reporting Process





**City Of Gary**

**Department of Finance**

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**KAREN M. FREEMAN-WILSON**

Mayor

**DAYNA BENNETT**

Chief of Staff

**Angelia Hayes**

Controller

**CORRECTIVE ACTION PLAN**

***FINDING 2017-001***

Financial Transactions and Reporting

Contact Person Responsible for Corrective Action: Angelia Hayes, Controller  
Contact Phone Number: 219-881-1363

Views of Responsible Official: The City concurs with the finding. The Gary Sanitary District has provided a separate Corrective Action Plan to address the issues related to their internal controls processes and procedures.

**Description of Corrective Action Plan:**

On March 1, 2018, a new Controller joined the City of Gary team. While a number of financial policies and procedures existed, a number of them were not routinely being followed. Additionally, while the Gary Common Council passed an Internal Controls policy and a number of individuals were trained on this policy, detailed implementation procedures were not outlined.

The Internal Controls team will supplemental the policy with procedures by December 15, 2018. A member of the Common Council will be a part of this team. Additionally, Department Heads and other finance staff will be trained on the implementation procedures by December 31, 2018. Finally, there will be a weekly review of entries, journal entries, and receipting. There will be a monthly review of financial reporting, bank reconciliations and grants.

Angelia Hayes  
(Signature)

Controller  
(Title)

11/5/18  
(Date)



**Mayor Karen Freeman-Wilson  
Special Administrator**

**Daniel F. Vicari, P.E.  
Executive Director**

**Main Office  
3600 West 3<sup>rd</sup> Avenue  
Gary, IN 46406  
Telephone: 219-944-0595  
Fax: 219-977-8318**

**Customer Service  
504 Broadway  
Gary, IN 46402  
Telephone: 219-883-1027  
Fax: 219-883-1029**

**Gary Sanitary District  
Board of Commissioners  
&  
Gary Storm Water  
Management District  
Board of Directors**

**Charles W. Jackson, Jr.  
President**

**Tramel R. Raggs  
Vice President**

**Ola V. Morris  
Secretary/Treasurer**

**Maurice G. Mabon  
Member**

**Jewell Harris, Jr., Attorney**

**Website:  
[www.garysanitary.com](http://www.garysanitary.com)**

## CORRECTIVE ACTION PLAN

### **FINDING 2017-001** (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Ms. Vern E. White  
Contact Phone Number: 219.944.0595 Ext. 1813

#### Description of Corrective Action Plan:

It was noted that the bank reconciliations did not have a date relative to when the reconciliations were reviewed and performed. Going forward, a date of review will be placed on the reconciliation report when it is sign by the reviewer.

It was noted that as of August 2018, the most recent reconciliation was as of January 2018. Working with our consultants we are now reconciled through June 2018 with the goal to have accurate and timely bank reconciliations performed on in a timely manner.

It was noted that the Sanitary District did not have an effective system of internal controls to ensure that the journal entries were posted accurately, timely and to the appropriate fiscal period.

We disagree with the auditors blanket statement regarding the Gary Sanitary District not having an effective system of internal control related to journal entries. There are times when a clerk will mis-post a payment; however, the items that the auditors are referring to were subsequently noted and corrected during the normal reconciliation process. During the normal course of reconciling the bank statements, the reconciliation process determined any mis-posted entries and an internal correction was made. Going forward we will ensure that reconciling the bank statements happens with both accuracy (which has been and continues to be our standard, that the information that is provided to the public is correct) and with timeliness.

In addition to this, it was noted that the Sanitary District did not have controls to ensure that records that supported adjustments which required correction by journal entry were retained and available for audit.

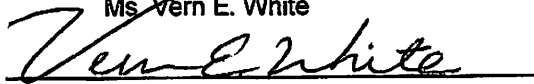
We also disagree with the statement that the Sanitary District did not have

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controls to ensure that records that supported adjustments which required correction by journal entry were retained and available for audit. The Sanitary District maintains all of the records that support the adjustments made by journal entry.

Anticipated Completion Date: 12/31/2018

Ms. Vern E. White

A handwritten signature in cursive script that reads "Vern E. White". The signature is written in black ink and is positioned above a solid horizontal line.

Director of Administration

11/1/2018



KAREN FREEMAN-WILSON  
Mayor

**CITY OF GARY**  
DIVISION OF COMMUNITY DEVELOPMENT

839 Broadway, Suite 302N  
Gary, IN 46402  
(219) 881-5075 ~ FAX: (219) 881-5085

ARLENE D. COLVIN  
Director

E. NIKOLE RUMPH  
Deputy Director

**CORRECTIVE ACTION PLAN**

**FINDING 2017- 002** (Auditor Assigned Reference Number)  
Contact Person Responsible for Corrective Action: Arlene Colvin, Director  
Contact Phone Number: 219-881-5075

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: A tracking system is being implemented to ensure that monthly financial reports are submitted on or before the 15<sup>th</sup> of every month as required under the terms of the loan contract. Reports are currently up to date with past due reports having been submitted.

Completion Date: September 15, 2018.

*Arlene Colvin*

(Signature)

*DIRECTOR*

(Title)

*10-01-18*

(Date)



Karen Freeman-  
Wilson  
Mayor

# City of Gary FIRE DEPARTMENT FIRE HEADQUARTERS

455 Massachusetts St.- GARY, IN 46402-1309  
(219) 881-5252 - Fax (219) 882-7453



Paul Bradley  
Fire Chief  
James Stanton  
Deputy Chief

## CORRECTIVE ACTION PLAN

*28*  
**FINDING 2017-003** (Auditor Assigned Reference Number)

Subject: Assistance to Firefighter Grant- Internal Controls

Contact Person Responsible for Corrective Action:

Paul L. Bradley Fire Chief

James Stanton –Deputy Chief Gary Fire Department

Contact Phone Number: 219-881-5252

Compliance Requirements: Cash Management, Period of Performance, Matching, Level of Effort,  
Earmarking, Reporting

Views of Responsible Official: We concur

Description of Corrective Action Plan:

The Gary Fire Department will create a grant signature and review process flow report for each approver. This report will provide visible detection and oversight for each approver for fund request and reporting.

The process will be adopted and implemented with the next successful grant award.

Anticipated Completion Date: November 1, 2018 is the completion date. The grant is closed.

*James Stanton*  
\_\_\_\_\_  
(Signature)

*Deputy chief*  
\_\_\_\_\_  
(Title)

*10-31-18*  
\_\_\_\_\_  
(Date)



Karen Freeman-  
Wilson  
Mayor

# City of Gary FIRE DEPARTMENT FIRE HEADQUARTERS

455 Massachusetts St.- GARY, IN 46402-1309  
(219) 881-5252 - Fax (219) 882-7453



Paul Bradley  
Fire Chief  
James Stanton  
Deputy Chief

## CORRECTIVE ACTION PLAN

**FINDING 2017-004** (Auditor Assigned Reference Number)  
Assistance to Firefighter Grant- Equipment  
Contact Person Responsible for Corrective Action: Paul L. Bradley Fire Chief  
James Stanton –Deputy Chief Gary Fire Department  
Contact Phone Number: 219-881-5252  
Compliance Requirement: Equipment and Real Property Management

Views of Responsible Official:  
We agree to the finding.

Description of Corrective Action Plan:

The Gary Fire Department will insure that all equipment and disposal items follow current policies and procedures are reported or removed timely in the inventory system.

The Department will work with the Internal Auditor to insure that all grant items are clearly identified, entered into the inventory system and removed if they are disposal items.

Anticipated Completion Date: December 15, 2018.

  
(Signature)

*Deputy Fire Chief*  
(Title)

*11-5-18*  
(Date)

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.