

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, 2018 to December 31, 2018



FILED
09/23/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	M. Celita Green	01-01-18 to 02-28-18
	Angelia Hayes	03-01-18 to 12-31-19
Mayor	Karen Freeman-Wilson	01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Niquelle Allen Winfrey	01-01-18 to 02-06-19
	(Vacant)	02-07-19 to 02-26-19
	Dayna Bennett	02-27-19 to 12-31-19
President of the Common Council	Ronald G. Brewer, Sr.	01-01-18 to 12-31-19
Executive Director of the Sanitary and Storm Water Management Districts	Daniel F. Vicari	01-01-18 to 12-31-19
President of the Boards of Sanitary and Storm Water Commissioners	Charles W. Jackson, Jr.	01-01-18 to 12-31-18
	Tramel Raggs	01-01-19 to 12-31-19



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We were engaged to audit 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, 2018, 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 conducting the audit in accordance with auditing standards generally accepted in the United States of America. Because of the matter described in the *Basis for Disclaimer of Opinion* paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

The City did not properly maintain accounting records. The City's accounting records were not properly reconciled with the depository balances. The City's bank reconciliations included material reconciling items with no explanation as to description or composition of the items. In addition, the City was unable to provide appropriate supporting documentation to support those items. As a result of the City being unable to provide documentation to substantiate the reconciling items, we were unable to apply auditing procedures to ascertain if the financial statement is fairly stated. The City's records do not permit the application of other auditing procedures to ascertain if the financial statement is fairly stated.

Disclaimer of Opinion

Because of the significance of the matter discussed in the *Basis for Disclaimer of Opinion* paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on this financial statement.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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


We were engaged for the purpose of forming an opinion of 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. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* paragraph and because federal grant monies were not accurately and separately identified in the financial ledgers, it is inappropriate to and we do not express an opinion on the Schedule of Expenditures of Federal Awards referred to above.

Other Information

We were engaged 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 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 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 August 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

August 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, 2018, and the related notes to the financial statement, and have issued our report thereon dated August 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. The opinion to the financial statement relative to the regulatory basis of accounting was disclaimed due to the City's accounting records not properly reconciled with depository balances.

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 items 2018-001 and 2018-002, that we consider to be material weaknesses.

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 items 2018-001 and 2018-002.

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

August 20, 2019

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, 2018

Fund	Cash and Investments		Cash and Investments	
	01-01-18	Receipts	Disbursements	12-31-18
General	\$ (9,301,800)	\$ 91,318,321	\$ 89,372,539	\$ (7,356,018)
Motor Vehicle Highway	425,727	3,776,700	2,841,073	1,361,354
Local Road And Street	627,482	1,600,770	1,370,399	857,853
Law Enforcement Continuing Ed	35,555	110,139	118,294	27,400
Unsafe Building	7,738	17,161	8,999	15,900
Riverboat	444,917	5,776,434	5,790,864	430,487
Parks And Recreation	503	2,052,730	1,746,824	306,409
Cumulative Capital Development	9,456	217,916	122,443	104,929
Cumulative Capital Improvement	196,233	187,697	144,570	239,360
Self-Insurance	(550,109)	7,420,318	6,857,254	12,955
Police Pension	184,133	8,697,448	7,693,606	1,187,975
Fire Pension	110,461	8,985,842	7,529,744	1,566,559
J-Pit/Landfill Management	295,027	59,188	61,705	292,510
Geminus Grant	9,048	-	-	9,048
FireFighter Safer Grant	15,857	-	-	15,857
Note Reserve (8.5 Million)	10	32	-	42
Bond Revenue	354,551	232	354,783	-
Metro Center	14,790	-	-	14,790
ARRA Public Works	1	-	-	1
Equipment Fund	(198,709)	-	-	(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	17,694	-	-	17,694
Health Radon Gas	4,011	-	-	4,011
Gun Buy Back	3,500	-	-	3,500
Law Non-reverting	61,855	-	-	61,855
Fair Housing	7,761	-	1,577	6,184
Equipment Lease	29,356	-	-	29,356
Casino Capital	42,964	-	-	42,964
Inspection Program	269,840	24,122	69,207	224,755
WCI/UCI Benefit	(500,327)	484,720	666,440	(682,047)
Public Health Program	1,682	-	1,667	15
Safe Route Plan	30,050	-	-	30,050
Green Urbanism	80,323	-	4,583	75,740
Fire Watch	57,294	19,607	-	76,901
KirkYard TIF	437,177	902,506	888,430	451,253
Blight Elimination Program	73,429	113,253	184,038	2,644
Maternal Child Health Infant Mortality	(80,236)	87,345	59,641	(52,532)
City Pmt- Lieu of Tax	342,890	92,247	-	435,137
Healthy Start Donation	1,700	-	-	1,700
YSB Donations	1,537	-	-	1,537
Cedit	674,950	5,401,640	5,026,895	1,049,695
Public Safety Income Tax	12,220	6,441,525	2,269,402	4,184,343
2013A Casino RB	296	121	-	417
Operation Pull Over	94,076	68,575	64,405	98,246
DOIT Non-Revert	44,859	38,500	58,917	24,442
Choice Neiborhd	39,132	150,000	22,149	166,983
COG Youth Council	215	-	-	215
Grey Green VV	13,855	-	-	13,855
Gary 4 Jobs	17,773	-	-	17,773
Elimination of Dispararities	50,864	496,040	574,832	(27,928)
Tobacco	(62,384)	169,848	124,629	(17,165)
Section 108 Loan Guarantee	952,678	274,962	586,508	641,132
Building Community Trust	4,345	-	4,711	(366)
911 Alarm Fund	940	125	-	1,065
Nat. Wildlife	(1,237)	71,544	-	70,307
Green Link	122,313	-	-	122,313
NON-R Set-Aside	71,685	17,500	58,576	30,609
LOIT Special DI	47,345	-	-	47,345
LDA Casino	629,498	5,932,476	5,667,266	894,708
GEN CTR Tourism	21,590	16,020	-	37,610

CITY OF GARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2018

Fund	Cash and	Receipts	Disbursements	Cash and
	Investments			Investments
	01-01-18			12-31-18
Motorcycle Gran	6,792	5,196	5,615	6,373
JAG Grant	(30,052)	56,562	56,220	(29,710)
Project Church Reimbursement	164,733	-	-	164,733
Gary Preservation	3,642	-	3,604	38
FEMA Grant	-	3,739	-	3,739
Wheel Tax Road	3,791,000	-	3,370,873	420,127
Howe Park Improvement	1,532	8,531	10,063	-
Rdvlp Aux Non-Reverting	474,283	180,295	442,046	212,532
Community Crossing Match	805,167	397,500	699,365	503,302
TANF Summer Youth	(99,479)	78,354	-	(21,125)
Consolidated Area Exp	695,038	-	695,038	-
NWI HCBI	28,744	25,000	50,735	3,009
Wheel Exc Surtax	293	1,185,711	771,733	414,271
Wheel Tax	-	335,639	-	335,639
Distracted Driving	-	20,150	23,087	(2,937)
Safe & Thriving Grant	-	23,741	43,664	(19,923)
Fire Wellness Grant	-	83,314	15,670	67,644
City Clerk Odyssey (Criminal/Civil)	-	1,043,817	807,372	236,445
Ambulance/Ems Nonreverting	4,437,186	3,096,749	2,801,971	4,731,964
Protective Services Grant I	(1,023,534)	-	-	(1,023,534)
Protective Services Grant II	73,608	74,827	25,410	123,025
Equal Opportunity Commission Hr	10,930	34,701	20,570	25,061
Tourism Project	92,702	39,745	12,268	120,179
Youth Services Bureau	20,596	56,394	62,502	14,488
Home Program	1,214	770,738	769,824	2,128
Emergency Shelter Grant	3,353	220,091	222,624	820
Brownfield	550	-	-	550
Healthy Families	23,869	6,697	3,542	27,024
Marquette Park	47	480,349	506,983	(26,587)
Gleason Golf Course	713	19,511	42,312	(22,088)
Emergency Shelter	(716,054)	376,695	348,681	(688,040)
Comprehensive Community Program	27,524	33,066	42,312	18,278
Landfill Closure	14,029	-	7,137	6,892
Landfill Trust	1,217,925	32,192	13,089	1,237,028
Solid Waste Recycling Project	181,578	452,024	406,667	226,935
Environmental Management	13,586	-	-	13,586
Health And Human Services	(437,749)	280,666	307,959	(465,042)
Supplemental Adult Probation Svcs	16,029	71,314	63,828	23,515
Gary Health Department Rental	22,378	8,575	3,691	27,262
Park Nonreverting	7,668	150,213	153,124	4,757
Vehicle Auction	83,866	129,268	57,092	156,042
Bioterrorism	(10,249)	63,712	57,520	(4,057)
Community Development Block Grant	136,633	2,391,784	2,281,318	247,099
Redevelopment Operating	22,413	119,052	160,854	(19,389)
Summer Jobs Training Program	(31,200)	16,042	-	(15,158)
Fair Housing Project	6,880	83,500	59,609	30,771
Genesis Civic Center	3,376	75,000	118,252	(39,876)
Media	468,087	397,831	362,983	502,935
Clerk Perpetuation	72,272	23,925	27,366	68,831
Genesis Center Operating	628	396,984	443,115	(45,503)
Leased Properties - Gary Bldg Corp.	(220,721)	10,100	-	(210,621)
State Air Grant	651	-	-	651
Hazardous Material	710	4,425	4,425	710
Economic Development Bond Comm	12,476	28	-	12,504
Alcohol And Drug Treatment	4,129	-	21,531	(17,402)
New Birth Grant	22	-	-	22
Remote Encoding Center	9,139	9,539	294	18,384
Mayor Donations	8,618	48,181	60,425	(3,626)
Lakefront Development	1,082,441	-	-	1,082,441
Social Services	-	4,024	3,279	745
Special Events	13,373	2,551	8,088	7,836
City Council Donations	660	4,925	3,644	1,941
Special Project Donations	75	-	-	75

CITY OF GARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2018

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18
Community Development Loan Program	15,278	-	180	15,098
Police Donations	13,535	3,600	903	16,232
Weed And Seed	9,203	-	-	9,203
Welfare Excess	6,272	-	-	6,272
Human Relations	5,000	-	4,040	960
Cmaq Vehicles	23,326	-	-	23,326
Hope Vi Pilot	517,877	136,370	-	654,247
Energy Efficient	1,098	-	-	1,098
Filming Fees	19,988	2,900	-	22,888
Chrp	63,198	-	-	63,198
Neighborhood Stabilization Program	263,490	67,017	81,283	249,224
Lead Base Paint Hazzard Control G	251,484	18,126	64,638	204,972
2007 Go Judgment Funding Bonds	33,066	-	-	33,066
Baseball Maintenance	1	-	19,227	(19,226)
Grant/Buchanan Street Project	42,989	-	-	42,989
Park Construction	162	-	-	162
Clean Up/ Beautification	294	-	-	294
911 Equipment	494	-	-	494
Consolidated Area Tif District	139,927	2,236,947	1,897,594	479,280
Lakefront Tif District	1,974,477	2,143,282	2,187,347	1,930,412
Marquette Renovation	983	-	-	983
Lady Liberty Restoration	442	-	-	442
Guea Properties	549,642	-	2,642	547,000
Madison Avenue Tif District	108,727	65,028	49,099	124,656
Midwest Center Tif District	648,577	249,906	-	898,483
Lancaster Dusable Tif District	18,805	38,193	37,901	19,097
Joint Public Safety Training	14,341	5,000	-	19,341
Dalton Arms Tif District	11,688	325,592	313,382	23,898
County Market Tif District	(198,126)	345,880	275,758	(128,004)
Kenney's Ribs Tif District	13,719	-	-	13,719
Fire Capital Equipment	132,137	45,256	49,610	127,783
Truck City Of Gary Allocation Area	148,393	156,806	213,876	91,323
Payroll	75,464	947	-	76,411
County Health	5,224	7,085	5,135	7,174
City Clerk - Civil Division	16,467	29,277	45,744	-
City Clerk - Criminal Division	715,459	165,790	306,027	575,222
Miscellaneous Refunds	16,248	-	-	16,248
Redevelopment Depository Trust	7,543	2,692	-	10,235
Withholdings	154,008	22,667,718	22,479,782	341,944
Supplemental Public Defender	21,051	24,088	36,120	9,019
Confiscated Property	67,319	55	50,844	16,530
Salary Fee Judicial	15,693	26,685	39,485	2,893
City Building Renovation Fund	-	1,040,386	-	1,040,386
Gary Storm Water Management District (GSWMD)	4,625,924	3,212,027	4,801,764	3,036,187
GSDWM E. Ridge Road Project	42,921	-	-	42,921
Gsd Wwtp General Operating	2,124,952	36,615,322	35,464,236	3,276,038
Gsd Bond And Interest	2,243,849	3,923,558	2,704,337	3,463,070
Gsd Sewer Construction	27,459	587	-	28,046
Gsd Sewer Operating	175,159	53,326	-	228,485
Gsd Solid Waste Disposal	47,500	500,043	546,553	990
Gsd Debt Service	3,407,237	625,967	4,027,889	5,315
Gsd Grand Calumet Sedimentation	2,805,066	55,279	15,068	2,845,277
Gsd Debt Service Reserve	3,057,453	37,783	-	3,095,236
Gsd Equipment Replacement	12,513,898	2,136,201	1,599,909	13,050,190
Gsd/Wrep Economic Development	1,981	-	1,981	-
Gsd Beach Sampling	206,794	32,300	8,636	230,458
Gsd E Coli	126,628	-	126,628	-
Totals	<u>\$ 45,525,184</u>	<u>\$ 241,453,590</u>	<u>\$ 234,283,962</u>	<u>\$ 52,694,812</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.

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,

CITY OF GARY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

CITY OF GARY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 December 31 of the year preceding the budget year or January 15 of the budget year if the City is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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.

CITY OF GARY
NOTES TO FINANCIAL STATEMENT
(Continued)

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) Defined Benefit Plan is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

My Choice: Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2, IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

New employees hired have a one-time election to join either the Public Employees' Hybrid Plan (PERF Hybrid) or the My Choice: Retirement Savings Plan for Public Employees (My Choice), which is a multiple-employer defined contribution plan. PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

CITY OF GARY
NOTES TO FINANCIAL STATEMENT
(Continued)

Financial Report

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. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

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.

CITY OF GARY
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy

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

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, providing retirement, disability, and survivor benefits.

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.

Financial Report

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. (844) 464-6777

Contributions

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS based on actuarial valuation. Employers may pay all or part of the member contribution for the member.

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 revenue 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	\$ 7,356,018
Equipment Fund	198,709
WCI/UCI Benefit	682,047
Maternal Child Health Infant Mortality	52,532
Tobacco	17,165
Building Community Trust	366
JAG Grant	29,710
TANF Summer Youth	21,125
Distracted Driving	2,937
Safe & Thriving Grant	19,923
Protective Services Grant I	1,023,534
Marquette Park	26,587
Gleason Golf Course	22,088
Emergency Shelter	688,040
Health And Human Services	465,042
Bioterrorism	4,057
Redevelopment Operating	19,389
Summer Jobs Training Program	15,158
Genesis Civic Center	39,876
Genesis Center Operating	45,503
Leased Properties - Gary Bldg Corp.	210,621
Alcohol And Drug Treatment	17,402
Mayor Donations	3,626
Baseball Maintenance	19,226
County Market Tif District	128,004

In addition, the General fund has outstanding temporary loans to other City and Sanitary District funds, totaling \$17,637,127 at December 31, 2018. The City also issued Tax Anticipation Warrants to meet current running expenses for the use of the General fund in principal amounts of \$21,000,000, maturing on or before January 15, 2019.

Note 8. Subsequent Events

Revenue Anticipation Notes

At the February 12, 2019 Common Council meeting, the Common Council approved Ordinance No. 9245 for the issuance of Revenue Anticipation Note, Series 2019, in the amount of \$8,000,000, for the use of General fund. The Revenue Anticipation Note is maturing on or before February 28, 2020. The revenues to be received for the General fund in 2019, with respect to the City's allocation of the additional revenues from the expenditure rate of the Lake County Local Income Tax allocated to economic development projects and certified shares pursuant to Indiana Code 6-3.6-6-4(2) and 6-3.6-6-4(3), and revenues the City receives pursuant to Local Agreement dated as of February 21, 2018, by and among the City and The Majestic Star Casino LLC, and The Majestic Star Casino II, LLC, is estimated to produce in the aggregate, with respect to such fund, an amount equal to or in excess of the principal of and interest on the temporary loans for such fund.

CITY OF GARY
NOTES TO FINANCIAL STATEMENT
(Continued)

Additionally, the City entered into a Note Purchase Agreement on April 23, 2019, for a Revenue Anticipation Note (Police Pension fund) and Revenue Anticipation Note (Fire Pension fund), in the amounts of \$2,300,000 and \$1,800,000, respectively. The Revenue Anticipation Notes for Police Pension fund and Fire Pension fund are maturing December 31, 2019. The purpose of the notes is interim financing in anticipation of State of Indiana Pension Funds.

US Steel

The City has approved Ordinance 2019-36 to enter into an Agreement with US Steel to provide an advance on future increment revenue payments (TIF) related to their \$750 million dollar minimum plant investment. The Agreement calls for future increment revenue to be shared between US Steel and the City at a 55 percent/45 percent split, respectively. The \$750 million dollar minimum plant investment must be made by the end of 2022. The \$750 million dollar investment is expected to generate approximately \$51 million in increment revenue over the next 25 years. The City, Gary Community School Corporation, and Gary Public Library are expected to split the 45 percent or approximately \$22.95 million of the increment revenue generated over the life of the TIF/PILOTI as follows:

City of Gary, approximately \$17.35 million
Gary Community School Corporation, approximately \$4.5 million
Gary Public Library, approximately \$1.1 million

On the date of closing, which is expected to be before the end of August 2019, US Steel has agreed to provide a \$20 million interest free increment revenue advance that will be shared as follows:

City of Gary, approximately \$15 million
Gary Community School Corporation, approximately \$4 million
Gary Public Library, approximately \$1 million

The advance payment of increment revenue will be repaid via reductions of future increment revenue until such time that the \$20 million is repaid. Once repaid, the additional increment will flow again to the units.

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.

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, 2018, were as follows:

CITY OF GARY
NOTES TO FINANCIAL STATEMENT
(Continued)

Loan To	Loan From	Loans Outstanding January 1, 2018	Loans Made	Loans Repaid	Loans Outstanding December 31, 2018
General	Other City Funds (Excluding GSD Funds)	\$ 14,990,800	\$ 3,120,000	\$ 5,840,000	\$ 12,270,800
General	GSD Funds	5,357,127	-	300,000	5,057,127
Other City Funds (Excluding GSD Funds)	Other City Funds (Excluding GSD Funds)	1,186,646	-	-	1,186,646
GSD Solid Waste Disposal	GSD WWTP General Operating	10,162,000	-	-	10,162,000
	Totals	<u>\$ 31,696,573</u>	<u>\$ 3,120,000</u>	<u>\$ 6,140,000</u>	<u>\$ 28,676,573</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 (HUD). 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, \$50,000, 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.

The City's Board of Public Works and Safety on December 19, 2018, approved the lowest bid from Hasse Construction for the construction of the new firehouse in the bid amount of \$2,869,000, funded from Loan Guarantee Assistance program under the Section 108 loan.

The fire station loan closed on March 29, 2019, with the funds being deposited into a trust account, as required by HUD with Fifth Third Securities. Since the City has elected not to utilize the total \$6 million loan commitment, the overall loan balance, excluding fees, is now \$5,450,000.

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 (-\$1 million 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 the 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 \$2.3 million 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 2nd 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. In 2018, a sales lease back was proposed to 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.

Beginning on January 1, 2020, the City will have a new administration, which is being tasked with moving the City forward with its quest to cash solvency.

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 United States Environmental Protection Agency (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 (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 the Indiana Department of Environmental Management, 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 includes 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 re-appoints 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.

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, 2018

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Unsafe Building
Cash and investments - beginning	\$ (9,301,800)	\$ 425,727	\$ 627,482	\$ 35,555	\$ 7,738
Receipts:					
Taxes	32,523,217	-	-	-	-
Licenses and permits	1,300,721	-	-	34,845	-
Intergovernmental receipts	6,142,281	3,746,290	1,600,770	-	-
Charges for services	575,109	-	-	-	-
Fines and forfeits	278,995	-	-	70,437	-
Utility fees	-	-	-	-	-
Other receipts	50,497,998	30,410	-	4,857	17,161
Total receipts	<u>91,318,321</u>	<u>3,776,700</u>	<u>1,600,770</u>	<u>110,139</u>	<u>17,161</u>
Disbursements:					
Personal services	41,507,592	1,141,484	113,240	-	-
Supplies	657,230	143,594	1,036,690	-	-
Other services and charges	6,218,943	1,450,322	146,335	116,994	8,999
Debt service - principal and interest	26,205,000	-	-	-	-
Capital outlay	46,203	105,673	74,134	1,300	-
Utility operating expenses	-	-	-	-	-
Other disbursements	14,737,571	-	-	-	-
Total disbursements	<u>89,372,539</u>	<u>2,841,073</u>	<u>1,370,399</u>	<u>118,294</u>	<u>8,999</u>
Excess (deficiency) of receipts over disbursements	<u>1,945,782</u>	<u>935,627</u>	<u>230,371</u>	<u>(8,155)</u>	<u>8,162</u>
Cash and investments - ending	<u>\$ (7,356,018)</u>	<u>\$ 1,361,354</u>	<u>\$ 857,853</u>	<u>\$ 27,400</u>	<u>\$ 15,900</u>

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Riverboat	Parks And Recreation	Cumulative Capital Development	Cumulative Capital Improvement	Self-Insurance
Cash and investments - beginning	\$ 444,917	\$ 503	\$ 9,456	\$ 196,233	\$ (550,109)
Receipts:					
Taxes	-	813,966	208,658	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	60,731	9,258	187,697	-
Charges for services	-	3,488	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	5,776,434	1,174,545	-	-	7,420,318
Total receipts	<u>5,776,434</u>	<u>2,052,730</u>	<u>217,916</u>	<u>187,697</u>	<u>7,420,318</u>
Disbursements:					
Personal services	-	679,168	-	-	6,354,949
Supplies	-	16,854	-	-	-
Other services and charges	4,313,961	273,170	91,336	27,747	14
Debt service - principal and interest	1,476,903	500,000	-	-	-
Capital outlay	-	11,777	31,107	116,823	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	265,855	-	-	502,291
Total disbursements	<u>5,790,864</u>	<u>1,746,824</u>	<u>122,443</u>	<u>144,570</u>	<u>6,857,254</u>
Excess (deficiency) of receipts over disbursements	<u>(14,430)</u>	<u>305,906</u>	<u>95,473</u>	<u>43,127</u>	<u>563,064</u>
Cash and investments - ending	<u>\$ 430,487</u>	<u>\$ 306,409</u>	<u>\$ 104,929</u>	<u>\$ 239,360</u>	<u>\$ 12,955</u>

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Police Pension	Fire Pension	J-Pit/Landfill Management	Geminus Grant	FireFighter Safer Grant
Cash and investments - beginning	\$ 184,133	\$ 110,461	\$ 295,027	\$ 9,048	\$ 15,857
Receipts:					
Taxes	202,841	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	4,992,596	4,885,842	-	-	-
Charges for services	18	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	3,501,993	4,100,000	59,188	-	-
Total receipts	<u>8,697,448</u>	<u>8,985,842</u>	<u>59,188</u>	<u>-</u>	<u>-</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	4,930,323	4,880,169	61,705	-	-
Debt service - principal and interest	63,283	49,575	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	2,700,000	2,600,000	-	-	-
Total disbursements	<u>7,693,606</u>	<u>7,529,744</u>	<u>61,705</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>1,003,842</u>	<u>1,456,098</u>	<u>(2,517)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,187,975</u>	<u>\$ 1,566,559</u>	<u>\$ 292,510</u>	<u>\$ 9,048</u>	<u>\$ 15,857</u>

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Note Reserve (8.5 Million)	Bond Revenue	Metro Center	ARRA Public Works	Equipment Fund
Cash and investments - beginning	\$ 10	\$ 354,551	\$ 14,790	\$ 1	\$ (198,709)
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	32	232	-	-	-
Total receipts	32	232	-	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	3,134	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	349,358	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	2,291	-	-	-
Total disbursements	-	354,783	-	-	-
Excess (deficiency) of receipts over disbursements	32	(354,551)	-	-	-
Cash and investments - ending	\$ 42	\$ -	\$ 14,790	\$ 1	\$ (198,709)

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Equipment Lease Reserve	Lets Move Project	Fire Department Equipment	Department of Commerce	Narcotics Vice
Cash and investments - beginning	\$ 384,564	\$ 4,278	\$ 261	\$ 11,793	\$ 17,694
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	-	-	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-
Cash and investments - ending	\$ 384,564	\$ 4,278	\$ 261	\$ 11,793	\$ 17,694

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Health Radon Gas	Gun Buy Back	Law Non-reverting	Fair Housing	Equipment Lease
Cash and investments - beginning	\$ 4,011	\$ 3,500	\$ 61,855	\$ 7,761	\$ 29,356
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	-	-	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	872	-
Other services and charges	-	-	-	705	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	-	-	1,577	-
Excess (deficiency) of receipts over disbursements	-	-	-	(1,577)	-
Cash and investments - ending	\$ 4,011	\$ 3,500	\$ 61,855	\$ 6,184	\$ 29,356

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Casino Capital	Inspection Program	WCI/UCI Benefit	Public Health Program	Safe Route Plan
Cash and investments - beginning	\$ 42,964	\$ 269,840	\$ (500,327)	\$ 1,682	\$ 30,050
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	22,125	-	-	-
Fines and forfeits	-	1,960	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	37	484,720	-	-
Total receipts	-	24,122	484,720	-	-
Disbursements:					
Personal services	-	69,207	666,440	-	-
Supplies	-	-	-	1	-
Other services and charges	-	-	-	1,666	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	69,207	666,440	1,667	-
Excess (deficiency) of receipts over disbursements	-	(45,085)	(181,720)	(1,667)	-
Cash and investments - ending	\$ 42,964	\$ 224,755	\$ (682,047)	\$ 15	\$ 30,050

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Green Urbanism	Fire Watch	KirkYard TIF	Blight Elimination Program	Maternal Child Health Infant Mortality
Cash and investments - beginning	\$ 80,323	\$ 57,294	\$ 437,177	\$ 73,429	\$ (80,236)
Receipts:					
Taxes	-	-	902,506	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	111,028	7,094
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	29,815
Utility fees	-	-	-	-	-
Other receipts	-	19,607	-	2,225	50,436
Total receipts	-	19,607	902,506	113,253	87,345
Disbursements:					
Personal services	-	-	-	10,889	58,074
Supplies	4,583	-	-	-	-
Other services and charges	-	-	-	173,149	1,567
Debt service - principal and interest	-	-	888,430	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	4,583	-	888,430	184,038	59,641
Excess (deficiency) of receipts over disbursements	(4,583)	19,607	14,076	(70,785)	27,704
Cash and investments - ending	\$ 75,740	\$ 76,901	\$ 451,253	\$ 2,644	\$ (52,532)

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	City Pmt- Lieu of Tax	Healthy Start Donation	YSB Donations	Cedit	Public Safety Income Tax
Cash and investments - beginning	\$ 342,890	\$ 1,700	\$ 1,537	\$ 674,950	\$ 12,220
Receipts:					
Taxes	-	-	-	1	2,507,648
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	92,247	-	-	4,815,740	2,507,648
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	-	585,899	1,426,229
Total receipts	92,247	-	-	5,401,640	6,441,525
Disbursements:					
Personal services	-	-	-	-	1,273,712
Supplies	-	-	-	-	-
Other services and charges	-	-	-	4,980,828	845
Debt service - principal and interest	-	-	-	-	622,305
Capital outlay	-	-	-	46,067	372,540
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	-	-	5,026,895	2,269,402
Excess (deficiency) of receipts over disbursements	92,247	-	-	374,745	4,172,123
Cash and investments - ending	\$ 435,137	\$ 1,700	\$ 1,537	\$ 1,049,695	\$ 4,184,343

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	2013A Casino RB	Operation Pull Over	DOIT Non-Revert	Choice Neiborhd	COG Youth Council
Cash and investments - beginning	\$ 296	\$ 94,076	\$ 44,859	\$ 39,132	\$ 215
Receipts:					
Taxes	-	-	-	150,000	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	68,575	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	121	-	38,500	-	-
Total receipts	121	68,575	38,500	150,000	-
Disbursements:					
Personal services	-	64,405	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	32,751	22,149	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	26,166	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	64,405	58,917	22,149	-
Excess (deficiency) of receipts over disbursements	121	4,170	(20,417)	127,851	-
Cash and investments - ending	\$ 417	\$ 98,246	\$ 24,442	\$ 166,983	\$ 215

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Grey Green VV	Gary 4 Jobs	Elimination of Disparities	Tobacco	Section 108 Loan Guarantee
Cash and investments - beginning	\$ 13,855	\$ 17,773	\$ 50,864	\$ (62,384)	\$ 952,678
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	494,790	169,848	-
Charges for services	-	-	-	-	181,962
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	1,250	-	93,000
Total receipts	-	-	496,040	169,848	274,962
Disbursements:					
Personal services	-	-	488,306	89,721	-
Supplies	-	-	16,929	227	-
Other services and charges	-	-	69,597	34,681	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	586,508
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	-	574,832	124,629	586,508
Excess (deficiency) of receipts over disbursements	-	-	(78,792)	45,219	(311,546)
Cash and investments - ending	\$ 13,855	\$ 17,773	\$ (27,928)	\$ (17,165)	\$ 641,132

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Building Community Trust	911 Alarm Fund	Nat. Wildlife	Green Link	NON-R Set-Aside
Cash and investments - beginning	\$ 4,345	\$ 940	\$ (1,237)	\$ 122,313	\$ 71,685
Receipts:					
Taxes	-	-	71,544	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	17,500
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	125	-	-	-
Total receipts	-	125	71,544	-	17,500
Disbursements:					
Personal services	4,711	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	58,576
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	4,711	-	-	-	58,576
Excess (deficiency) of receipts over disbursements	(4,711)	125	71,544	-	(41,076)
Cash and investments - ending	\$ (366)	\$ 1,065	\$ 70,307	\$ 122,313	\$ 30,609

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	LOIT Special DI	LDA Casino	GEN CTR Tourism	Motorcycle Gran	JAG Grant
Cash and investments - beginning	\$ 47,345	\$ 629,498	\$ 21,590	\$ 6,792	\$ (30,052)
Receipts:					
Taxes	-	-	16,020	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	5,196	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	5,932,476	-	-	56,562
Total receipts	-	5,932,476	16,020	5,196	56,562
Disbursements:					
Personal services	-	-	-	5,615	-
Supplies	-	-	-	-	-
Other services and charges	-	4,179,039	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	63,239	-	-	56,220
Utility operating expenses	-	-	-	-	-
Other disbursements	-	1,424,988	-	-	-
Total disbursements	-	5,667,266	-	5,615	56,220
Excess (deficiency) of receipts over disbursements	-	265,210	16,020	(419)	342
Cash and investments - ending	\$ 47,345	\$ 894,708	\$ 37,610	\$ 6,373	\$ (29,710)

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Project Church Reimbursement	Gary Preservation	FEMA Grant	Wheel Tax Road	Howe Park Improvement
Cash and investments - beginning	\$ 164,733	\$ 3,642	\$ -	\$ 3,791,000	\$ 1,532
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	8,531
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	3,739	-	-
Total receipts	-	-	3,739	-	8,531
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	3,604	-	229,124	10,063
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	1,941,749	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	1,200,000	-
Total disbursements	-	3,604	-	3,370,873	10,063
Excess (deficiency) of receipts over disbursements	-	(3,604)	3,739	(3,370,873)	(1,532)
Cash and investments - ending	\$ 164,733	\$ 38	\$ 3,739	\$ 420,127	\$ -

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Rdvp Aux Non-Reverting	Community Crossing Match	TANF Summer Youth	Consolidated Area Exp	NWI HCBI
Cash and investments - beginning	\$ 474,283	\$ 805,167	\$ (99,479)	\$ 695,038	\$ 28,744
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	2,010	397,500	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	178,285	-	78,354	-	25,000
Total receipts	180,295	397,500	78,354	-	25,000
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	1,735
Other services and charges	342,702	-	-	-	49,000
Debt service - principal and interest	-	-	-	-	-
Capital outlay	99,344	699,365	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	695,038	-
Total disbursements	442,046	699,365	-	695,038	50,735
Excess (deficiency) of receipts over disbursements	(261,751)	(301,865)	78,354	(695,038)	(25,735)
Cash and investments - ending	\$ 212,532	\$ 503,302	\$ (21,125)	\$ -	\$ 3,009

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Wheel Exc Surtax	Wheel Tax	Distracted Driving	Safe & Thriving Grant	Fire Wellness Grant
Cash and investments - beginning	\$ 293	\$ -	\$ -	\$ -	\$ -
Receipts:					
Taxes	145,746	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	1,039,965	85,639	20,150	23,741	83,314
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	250,000	-	-	-
Total receipts	<u>1,185,711</u>	<u>335,639</u>	<u>20,150</u>	<u>23,741</u>	<u>83,314</u>
Disbursements:					
Personal services	-	-	23,087	22,010	-
Supplies	-	-	-	-	15,670
Other services and charges	-	-	-	21,654	-
Debt service - principal and interest	771,733	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>771,733</u>	<u>-</u>	<u>23,087</u>	<u>43,664</u>	<u>15,670</u>
Excess (deficiency) of receipts over disbursements	<u>413,978</u>	<u>335,639</u>	<u>(2,937)</u>	<u>(19,923)</u>	<u>67,644</u>
Cash and investments - ending	<u>\$ 414,271</u>	<u>\$ 335,639</u>	<u>\$ (2,937)</u>	<u>\$ (19,923)</u>	<u>\$ 67,644</u>

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	City Clerk Odyssey (Criminal/Civil)	Ambulance/Ems Nonreverting	Protective Services Grant I	Protective Services Grant II	Equal Opportunity Commission Hr
Cash and investments - beginning	\$ -	\$ 4,437,186	\$ (1,023,534)	\$ 73,608	\$ 10,930
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	1	34,701
Charges for services	-	3,057,978	-	-	-
Fines and forfeits	-	-	-	74,826	-
Utility fees	-	-	-	-	-
Other receipts	1,043,817	38,771	-	-	-
Total receipts	1,043,817	3,096,749	-	74,827	34,701
Disbursements:					
Personal services	-	870,397	-	-	18,960
Supplies	-	290,123	-	6,828	256
Other services and charges	-	782,378	-	18,582	1,354
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	828,473	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	807,372	30,600	-	-	-
Total disbursements	807,372	2,801,971	-	25,410	20,570
Excess (deficiency) of receipts over disbursements	236,445	294,778	-	49,417	14,131
Cash and investments - ending	\$ 236,445	\$ 4,731,964	\$ (1,023,534)	\$ 123,025	\$ 25,061

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Tourism Project	Youth Services Bureau	Home Program	Emergency Shelter Grant	Brownfield
Cash and investments - beginning	\$ 92,702	\$ 20,596	\$ 1,214	\$ 3,353	\$ 550
Receipts:					
Taxes	-	-	755,787	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	39,745	56,393	-	220,091	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	1	14,951	-	-
Total receipts	39,745	56,394	770,738	220,091	-
Disbursements:					
Personal services	-	8,231	43,577	19,393	-
Supplies	-	-	764	-	-
Other services and charges	12,268	54,271	725,483	203,231	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	12,268	62,502	769,824	222,624	-
Excess (deficiency) of receipts over disbursements	27,477	(6,108)	914	(2,533)	-
Cash and investments - ending	\$ 120,179	\$ 14,488	\$ 2,128	\$ 820	\$ 550

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Healthy Families	Marquette Park	Gleason Golf Course	Emergency Shelter	Comprehensive Community Program
Cash and investments - beginning	\$ 23,869	\$ 47	\$ 713	\$ (716,054)	\$ 27,524
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	4,100	-	-
Intergovernmental receipts	-	-	-	5,257	-
Charges for services	6,247	471,023	10,961	371,439	-
Fines and forfeits	-	-	-	-	33,066
Utility fees	-	-	-	-	-
Other receipts	450	9,326	4,450	(1)	-
Total receipts	6,697	480,349	19,511	376,695	33,066
Disbursements:					
Personal services	-	162,746	42,312	296,056	-
Supplies	2,424	6,891	-	6,403	-
Other services and charges	1,118	336,722	-	46,222	42,312
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	624	-	-	-
Total disbursements	3,542	506,983	42,312	348,681	42,312
Excess (deficiency) of receipts over disbursements	3,155	(26,634)	(22,801)	28,014	(9,246)
Cash and investments - ending	\$ 27,024	\$ (26,587)	\$ (22,088)	\$ (688,040)	\$ 18,278

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Landfill Closure	Landfill Trust	Solid Waste Recycling Project	Environmental Management	Health And Human Services
Cash and investments - beginning	\$ 14,029	\$ 1,217,925	\$ 181,578	\$ 13,586	\$ (437,749)
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	280,666
Charges for services	-	-	452,024	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	32,192	-	-	-
Total receipts	-	32,192	452,024	-	280,666
Disbursements:					
Personal services	-	-	368,578	-	228,310
Supplies	-	-	22,216	-	8,405
Other services and charges	7,137	13,089	15,731	-	71,244
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	142	-	-
Total disbursements	7,137	13,089	406,667	-	307,959
Excess (deficiency) of receipts over disbursements	(7,137)	19,103	45,357	-	(27,293)
Cash and investments - ending	\$ 6,892	\$ 1,237,028	\$ 226,935	\$ 13,586	\$ (465,042)

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Supplemental Adult Probation Svcs	Gary Health Department Rental	Park Nonreverting	Vehicle Auction	Bioterrorism
Cash and investments - beginning	\$ 16,029	\$ 22,378	\$ 7,668	\$ 83,866	\$ (10,249)
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	63,712
Charges for services	-	-	150,213	95,561	-
Fines and forfeits	71,314	8,575	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	-	33,707	-
Total receipts	71,314	8,575	150,213	129,268	63,712
Disbursements:					
Personal services	63,828	230	134,729	10,291	11,841
Supplies	-	-	6,084	29,258	8,798
Other services and charges	-	3,461	731	17,543	36,881
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	11,580	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	63,828	3,691	153,124	57,092	57,520
Excess (deficiency) of receipts over disbursements	7,486	4,884	(2,911)	72,176	6,192
Cash and investments - ending	\$ 23,515	\$ 27,262	\$ 4,757	\$ 156,042	\$ (4,057)

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Community Development Block Grant	Redevelopment Operating	Summer Jobs Training Program	Fair Housing Project	Genesis Civic Center
Cash and investments - beginning	\$ 136,633	\$ 22,413	\$ (31,200)	\$ 6,880	\$ 3,376
Receipts:					
Taxes	-	110,931	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	2,378,426	8,104	-	83,500	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	17	-	-	-
Utility fees	-	-	-	-	-
Other receipts	13,358	-	16,042	-	75,000
Total receipts	<u>2,391,784</u>	<u>119,052</u>	<u>16,042</u>	<u>83,500</u>	<u>75,000</u>
Disbursements:					
Personal services	1,502,638	103,344	-	59,000	93,280
Supplies	4,415	-	-	-	24,972
Other services and charges	774,265	57,510	-	609	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>2,281,318</u>	<u>160,854</u>	<u>-</u>	<u>59,609</u>	<u>118,252</u>
Excess (deficiency) of receipts over disbursements	<u>110,466</u>	<u>(41,802)</u>	<u>16,042</u>	<u>23,891</u>	<u>(43,252)</u>
Cash and investments - ending	<u>\$ 247,099</u>	<u>\$ (19,389)</u>	<u>\$ (15,158)</u>	<u>\$ 30,771</u>	<u>\$ (39,876)</u>

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Media	Clerk Perpetuation	Genesis Center Operating	Leased Properties - Gary Bldg Corp.	State Air Grant
Cash and investments - beginning	\$ 468,087	\$ 72,272	\$ 628	\$ (220,721)	\$ 651
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	23,925	-	5,600	-
Fines and forfeits	397,761	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	70	-	396,984	4,500	-
Total receipts	397,831	23,925	396,984	10,100	-
Disbursements:					
Personal services	335,017	22,687	228,075	-	-
Supplies	1,697	-	134,328	-	-
Other services and charges	26,269	4,679	80,712	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	362,983	27,366	443,115	-	-
Excess (deficiency) of receipts over disbursements	34,848	(3,441)	(46,131)	10,100	-
Cash and investments - ending	\$ 502,935	\$ 68,831	\$ (45,503)	\$ (210,621)	\$ 651

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Hazardous Material	Economic Development Bond Comm	Alcohol And Drug Treatment	New Birth Grant	Remote Encoding Center
Cash and investments - beginning	\$ 710	\$ 12,476	\$ 4,129	\$ 22	\$ 9,139
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	4,425	28	-	-	9,539
Total receipts	4,425	28	-	-	9,539
Disbursements:					
Personal services	-	-	21,531	-	-
Supplies	4,425	-	-	-	-
Other services and charges	-	-	-	-	294
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	4,425	-	21,531	-	294
Excess (deficiency) of receipts over disbursements	-	28	(21,531)	-	9,245
Cash and investments - ending	\$ 710	\$ 12,504	\$ (17,402)	\$ 22	\$ 18,384

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Mayor Donations	Lakefront Development	Social Services	Special Events	City Council Donations
Cash and investments - beginning	\$ 8,618	\$ 1,082,441	\$ -	\$ 13,373	\$ 660
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	48,181	-	4,024	2,551	4,925
Total receipts	<u>48,181</u>	<u>-</u>	<u>4,024</u>	<u>2,551</u>	<u>4,925</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	60,425	-	3,279	2,528	3,644
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	5,560	-
Total disbursements	<u>60,425</u>	<u>-</u>	<u>3,279</u>	<u>8,088</u>	<u>3,644</u>
Excess (deficiency) of receipts over disbursements	<u>(12,244)</u>	<u>-</u>	<u>745</u>	<u>(5,537)</u>	<u>1,281</u>
Cash and investments - ending	<u>\$ (3,626)</u>	<u>\$ 1,082,441</u>	<u>\$ 745</u>	<u>\$ 7,836</u>	<u>\$ 1,941</u>

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Special Project Donations	Community Development Loan Program	Police Donations	Weed And Seed	Welfare Excess
Cash and investments - beginning	\$ 75	\$ 15,278	\$ 13,535	\$ 9,203	\$ 6,272
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	3,600	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	-	3,600	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	180	903	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	180	903	-	-
Excess (deficiency) of receipts over disbursements	-	(180)	2,697	-	-
Cash and investments - ending	\$ 75	\$ 15,098	\$ 16,232	\$ 9,203	\$ 6,272

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Human Relations	Cmaq Vehicles	Hope Vi Pilot	Energy Efficient	Filming Fees
Cash and investments - beginning	\$ 5,000	\$ 23,326	\$ 517,877	\$ 1,098	\$ 19,988
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	2,900
Intergovernmental receipts	-	-	136,370	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	-	-	136,370	-	2,900
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	4,040	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	4,040	-	-	-	-
Excess (deficiency) of receipts over disbursements	(4,040)	-	136,370	-	2,900
Cash and investments - ending	\$ 960	\$ 23,326	\$ 654,247	\$ 1,098	\$ 22,888

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Chrp	Neighborhood Stabilization Program	Lead Base Paint Hazzard Control G	2007 Go Judgment Funding Bonds	Baseball Maintenance
Cash and investments - beginning	\$ 63,198	\$ 263,490	\$ 251,484	\$ 33,066	\$ 1
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	8,101	-	-
Charges for services	-	25,821	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	41,196	10,025	-	-
Total receipts	-	67,017	18,126	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	1,091	-	-
Other services and charges	-	81,283	63,547	-	19,227
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	81,283	64,638	-	19,227
Excess (deficiency) of receipts over disbursements	-	(14,266)	(46,512)	-	(19,227)
Cash and investments - ending	\$ 63,198	\$ 249,224	\$ 204,972	\$ 33,066	\$ (19,226)

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Grant/Buchanan Street Project	Park Construction	Clean Up/ Beautification	911 Equipment	Consolidated Area Tif District
Cash and investments - beginning	\$ 42,989	\$ 162	\$ 294	\$ 494	\$ 139,927
Receipts:					
Taxes	-	-	-	-	1,532,154
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	9,755
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	-	-	695,038
Total receipts	-	-	-	-	2,236,947
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	796,910
Debt service - principal and interest	-	-	-	-	1,000,934
Capital outlay	-	-	-	-	6,750
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	93,000
Total disbursements	-	-	-	-	1,897,594
Excess (deficiency) of receipts over disbursements	-	-	-	-	339,353
Cash and investments - ending	\$ 42,989	\$ 162	\$ 294	\$ 494	\$ 479,280

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Lakefront Tif District	Marquette Renovation	Lady Liberty Restoration	Guea Properties	Madison Avenue Tif District
Cash and investments - beginning	\$ 1,974,477	\$ 983	\$ 442	\$ 549,642	\$ 108,727
Receipts:					
Taxes	1,212,721	-	-	-	65,028
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	930,561	-	-	-	-
Total receipts	<u>2,143,282</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,028</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	1,467,347	-	-	-	-
Debt service - principal and interest	-	-	-	-	49,099
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	720,000	-	-	2,642	-
Total disbursements	<u>2,187,347</u>	<u>-</u>	<u>-</u>	<u>2,642</u>	<u>49,099</u>
Excess (deficiency) of receipts over disbursements	<u>(44,065)</u>	<u>-</u>	<u>-</u>	<u>(2,642)</u>	<u>15,929</u>
Cash and investments - ending	<u>\$ 1,930,412</u>	<u>\$ 983</u>	<u>\$ 442</u>	<u>\$ 547,000</u>	<u>\$ 124,656</u>

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Midwest Center Tif District	Lancaster Dusable Tif District	Joint Public Safety Training	Dalton Arms Tif District	County Market Tif District
Cash and investments - beginning	\$ 648,577	\$ 18,805	\$ 14,341	\$ 11,688	\$ (198,126)
Receipts:					
Taxes	249,906	38,193	-	38,422	345,880
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	5,000	287,170	-
Total receipts	<u>249,906</u>	<u>38,193</u>	<u>5,000</u>	<u>325,592</u>	<u>345,880</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	37,901	-	313,382	275,758
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>-</u>	<u>37,901</u>	<u>-</u>	<u>313,382</u>	<u>275,758</u>
Excess (deficiency) of receipts over disbursements	<u>249,906</u>	<u>292</u>	<u>5,000</u>	<u>12,210</u>	<u>70,122</u>
Cash and investments - ending	<u>\$ 898,483</u>	<u>\$ 19,097</u>	<u>\$ 19,341</u>	<u>\$ 23,898</u>	<u>\$ (128,004)</u>

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Kenney's Ribs Tif District	Fire Capital Equipment	Truck City Of Gary Allocation Area	Payroll	County Health
Cash and investments - beginning	\$ 13,719	\$ 132,137	\$ 148,393	\$ 75,464	\$ 5,224
Receipts:					
Taxes	-	-	156,806	-	-
Licenses and permits	-	-	-	-	7,085
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	45,256	-	947	-
Total receipts	-	45,256	156,806	947	7,085
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	49,610	-	-	-
Other services and charges	-	-	-	-	5,135
Debt service - principal and interest	-	-	213,876	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	49,610	213,876	-	5,135
Excess (deficiency) of receipts over disbursements	-	(4,354)	(57,070)	947	1,950
Cash and investments - ending	\$ 13,719	\$ 127,783	\$ 91,323	\$ 76,411	\$ 7,174

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	City Clerk - Civil Division	City Clerk - Criminal Division	Miscellaneous Refunds	Redevelopment Depository Trust	Withholdings
Cash and investments - beginning	\$ 16,467	\$ 715,459	\$ 16,248	\$ 7,543	\$ 154,008
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	29,277	165,790	-	2,692	22,667,718
Total receipts	29,277	165,790	-	2,692	22,667,718
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	45,744	306,027	-	-	22,479,782
Total disbursements	45,744	306,027	-	-	22,479,782
Excess (deficiency) of receipts over disbursements	(16,467)	(140,237)	-	2,692	187,936
Cash and investments - ending	\$ -	\$ 575,222	\$ 16,248	\$ 10,235	\$ 341,944

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Supplemental Public Defender	Confiscated Property	Salary Fee Judicial	City Building Renovation Fund	Gary Storm Water Management District (GSWMD)
Cash and investments - beginning	\$ 21,051	\$ 67,319	\$ 15,693	\$ -	\$ 4,625,924
Receipts:					
Taxes	-	-	-	-	2,632,882
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	24,088	-	26,685	-	-
Utility fees	-	-	-	-	-
Other receipts	-	55	-	1,040,386	579,145
Total receipts	24,088	55	26,685	1,040,386	3,212,027
Disbursements:					
Personal services	36,120	-	39,485	-	797,245
Supplies	-	-	-	-	-
Other services and charges	-	50,844	-	-	39,723
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	109,180
Utility operating expenses	-	-	-	-	3,855,616
Other disbursements	-	-	-	-	-
Total disbursements	36,120	50,844	39,485	-	4,801,764
Excess (deficiency) of receipts over disbursements	(12,032)	(50,789)	(12,800)	1,040,386	(1,589,737)
Cash and investments - ending	\$ 9,019	\$ 16,530	\$ 2,893	\$ 1,040,386	\$ 3,036,187

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	GSDWM E. Ridge Road Project	Gsd Wwtp General Operating	Gsd Bond And Interest	Gsd Sewer Construction	Gsd Sewer Operating
Cash and investments - beginning	\$ 42,921	\$ 2,124,952	\$ 2,243,849	\$ 27,459	\$ 175,159
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	46,725
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	23,402,954	-	-	-
Other receipts	-	13,212,368	3,923,558	587	6,601
Total receipts	-	36,615,322	3,923,558	587	53,326
Disbursements:					
Personal services	-	10,283,931	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	2,703,487	-	-
Capital outlay	-	647,523	-	-	-
Utility operating expenses	-	19,980,687	-	-	-
Other disbursements	-	4,552,095	850	-	-
Total disbursements	-	35,464,236	2,704,337	-	-
Excess (deficiency) of receipts over disbursements	-	1,151,086	1,219,221	587	53,326
Cash and investments - ending	\$ 42,921	\$ 3,276,038	\$ 3,463,070	\$ 28,046	\$ 228,485

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Gsd Solid Waste Disposal	Gsd Debt Service	Gsd Grand Calumet Sedimentation	Gsd Debt Service Reserve	Gsd Equipment Replacement
Cash and investments - beginning	\$ 47,500	\$ 3,407,237	\$ 2,805,066	\$ 3,057,453	\$ 12,513,898
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	1	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	500,043	625,966	55,279	37,783	2,136,201
Total receipts	<u>500,043</u>	<u>625,967</u>	<u>55,279</u>	<u>37,783</u>	<u>2,136,201</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	15,068	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	1,599,909
Utility operating expenses	444,914	-	-	-	-
Other disbursements	101,639	4,027,889	-	-	-
Total disbursements	<u>546,553</u>	<u>4,027,889</u>	<u>15,068</u>	<u>-</u>	<u>1,599,909</u>
Excess (deficiency) of receipts over disbursements	<u>(46,510)</u>	<u>(3,401,922)</u>	<u>40,211</u>	<u>37,783</u>	<u>536,292</u>
Cash and investments - ending	<u>\$ 990</u>	<u>\$ 5,315</u>	<u>\$ 2,845,277</u>	<u>\$ 3,095,236</u>	<u>\$ 13,050,190</u>

CITY OF GARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2018

	Gsd/Wrep Economic Development	Gsd Beach Sampling	Gsd E Coli	Totals
Cash and investments - beginning	\$ 1,981	\$ 206,794	\$ 126,628	\$ 45,525,184
Receipts:				
Taxes	-	-	-	44,680,857
Licenses and permits	-	-	-	1,349,651
Intergovernmental receipts	-	-	-	34,453,413
Charges for services	-	-	-	5,951,210
Fines and forfeits	-	-	-	1,017,539
Utility fees	-	-	-	23,402,954
Other receipts	-	32,300	-	130,597,966
Total receipts	-	32,300	-	241,453,590
Disbursements:				
Personal services	-	-	-	68,374,442
Supplies	-	-	-	2,503,373
Other services and charges	-	-	-	38,683,031
Debt service - principal and interest	-	-	-	35,171,666
Capital outlay	-	-	-	7,830,988
Utility operating expenses	-	8,636	-	24,289,853
Other disbursements	1,981	-	126,628	57,430,609
Total disbursements	1,981	8,636	126,628	234,283,962
Excess (deficiency) of receipts over disbursements	(1,981)	23,664	(126,628)	7,169,628
Cash and investments - ending	\$ -	\$ 230,458	\$ -	\$ 52,694,812

CITY OF GARY
SCHEDULE OF LEASES AND DEBT
December 31, 2018

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	Police Cars	340,678	02/10/2017	02/10/2020
Ford Credit	Trucks	62,934	02/24/2017	02/24/2021
Motorola Credit Corporation	Radio Equipment	427,305	10/01/2014	10/01/2019
KS State Bank	Fire Engine and Equipment	<u>333,409</u>	12/01/2017	12/01/2023
Total of annual lease payments		<u>\$ 1,766,338</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	\$ 3,245,000	\$ 772,638
Revenue bonds	Special Tax Revenue Bonds Series 2016	10,105,000	1,476,950
Revenue bonds	US Dept of Housing & Dvlp Section 108 Loan	<u>2,200,000</u>	<u>12,584</u>
Total governmental activities		<u>15,550,000</u>	<u>2,262,172</u>
Gsd:			
Revenue bonds	Sanitary District Refunding Revenue Bonds Series 2013	20,720,000	1,258,198
Revenue bonds	Sewage Works Revenue Bonds of 2011 Series A	<u>5,770,000</u>	<u>1,513,092</u>
Total Gsd		<u>26,490,000</u>	<u>2,771,290</u>
Totals		<u>\$ 42,040,000</u>	<u>\$ 5,033,462</u>

CITY OF GARY
SCHEDULE OF CAPITAL ASSETS
December 31, 2018

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	\$ 32,932,030
Infrastructure	142,743,066
Buildings	177,151,509
Improvements other than buildings	12,164,798
Machinery, equipment, and vehicles	42,576,162
Construction in progress	<u>8,404,078</u>
Total governmental activities	<u>415,971,643</u>
Storm Water Management District:	
Land	320,084
Infrastructure	13,650,301
Improvements other than buildings	4,003,564
Machinery, equipment, and vehicles	2,026,159
Construction in progress	<u>2,647,474</u>
Total Storm Water Management District	<u>22,647,582</u>
Gsd:	
Land	1,558,886
Infrastructure	209,519,594
Buildings	4,014,934
Improvements other than buildings	119,852,641
Machinery, equipment, and vehicles	67,231,186
Construction in progress	<u>4,119,524</u>
Total Gsd	<u>406,296,765</u>
Total capital assets	<u>\$ 844,915,990</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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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, 2018. 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.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2018.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2018-003. Our opinion on each major federal program is not modified with respect to these 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.

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 item 2018-003, that we consider to be a material weakness.

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.

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

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
Paul D. Joyce, CPA
State Examiner

August 20, 2019

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, 2018

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
Department of Agriculture					
Child Nutrition Cluster					
Summer Food Service Program for Children	Indiana Department of Education	10.559			
Summer Food Service Program for Children			#71818IN109942SF	\$ -	\$ 55,803
Total - Child Nutrition Cluster				-	55,803
Total - Department of Agriculture				-	55,803
Department of Commerce					
Coastal Zone Management Administration Awards	Indiana Department of Natural Resources	11.419			
Lake Michigan Coastal Program			CZ656	-	6,237
Total - Department of Commerce				-	6,237
Department of Housing and Urban Development					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	Direct	14.218			
Community Development Block Grant			B08MN180005	-	32,520
Community Development Block Grant			B11MN180005	-	48,762
Community Development Block Grant			B15MC180005	-	40,228
Community Development Block Grant			B16MC180005	-	785,751
Community Development Block Grant			B-17-MC-180005	42,499	1,736,710
Community Development Block Grant			B-18-MC-180005	-	12,942
Community Development Block Grant			B-14-MC-18-0005 (Section 108 Loan)	-	404,546
Total - Community Development Block Grants/Entitlement Grants				42,499	3,061,459
Total - CDBG - Entitlement Grants Cluster				42,499	3,061,459
Emergency Solutions Grant Program	Direct	14.231			
Emergency Solutions Grants Program			E-16-MC-180005	34,192	50,602
Emergency Solutions Grants Program			E-17-MC-180005	169,039	169,490
Total - Emergency Solutions Grant Program				203,231	220,092
Home Investment Partnerships Program	Direct	14.239			
Home Investment Partnerships Programs			M-11-MC-180203	-	29,836
Home Investment Partnerships Programs			M-12-MC-180203	-	292,246
Home Investment Partnerships Programs			M-13-MC-180203	-	356,331
Home Investment Partnerships Programs			M-14-MC-180203	-	17,659
Home Investment Partnerships Programs			M-15-MC-180203	-	14,940
Home Investment Partnerships Programs			M-16-MC-180203	-	35,397
Home Investment Partnerships Programs			M-17-MC-180203	-	9,378
Home Investment Partnerships Programs			M-18-MC-180203	-	14,951
Total - Home Investment Partnerships Program				-	770,738
Fair Housing Assistance Program State and Local	Direct	14.401			
Fair Housing Assistance Partnership (FHAPP)			FF205K145012, FF205K185012	-	83,500
Total - Department of Housing and Urban Development				245,730	4,135,789
Department of the Interior					
NFWF - USFWS Conservation Partnership	Direct	15.663			
National Fish and Wildlife Foundation			FAA 064	-	71,544
Total - Department of the Interior				-	71,544
Department of Justice					
Community-Based Violence Prevention Program	Direct	16.123			
Safe and Thriving Grant			2017-MU-MU-K007	-	23,741
Crime Victim Assistance	Indiana Criminal Justice Institute	16.575			
Crime Victim Assistance			D3-18-12111, D3-17-11444	-	236,069
Crime Victim Compensation	Indiana Criminal Justice Institute	16.576			
Violent Crimes			#03216VCGX005303	-	427

CITY OF GARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2018

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
Equitable Sharing Program	Direct	16.922	DEA-FY2018	-	24,643
Equitable Sharing Program				-	24,643
Total - Department of Justice				-	284,880
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction SR912	Indiana Department of Transportation	20.205	DES#1173663	-	210,557
Total - Highway Planning and Construction Cluster				-	210,557
Highway Safety Cluster					
State and Community Highway Safety Operation Pull Over	Indiana Criminal Justice Institute	20.600	D3-18-11880	-	68,575
Alcohol Impaired Driving Countermeasures Incentive Grants I Motorcycle HVE	Indiana Criminal Justice Institute	20.601	D3-18-12373	-	5,197
National Priority Safety Programs Distracted Driving	Indiana Criminal Justice Institute	20.616	D3-18-12006	-	20,150
Total - Highway Safety Cluster				-	93,922
Total - Department of Transportation				-	304,479
<u>Equal Employment Opportunity Commission</u>					
Employment Discrimination Title VII of the Civil Rights Act of 1964 Equal Employment Opportunity Commission	Direct	30.001	EEC-45017C0056	-	20,569
Total - Equal Employment Opportunity Commission				-	20,569
<u>Environmental Protection Agency</u>					
State Indoor Radon Grants Bioterrorism - CRI	Indiana State Department of Health	66.032	FY 2018	-	2,983
Total - Environmental Protection Agency				-	2,983
<u>Department of Health and Human Services</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements Bioterrorism-CRI	Indiana State Department of Health	93.074	U90TP000521	-	63,712
Immunization Cooperative Agreements Childhood Immunization	Indiana State Department of Health	93.268	H23IP000723	-	43,943
Social Services Block Grant SSBG	Indiana Criminal Justice Institute	93.667	D3-17-11674	-	12,260
HIV Care Formula Grants HIV Care Formula Grants	Indiana State Department of Health	93.917	X08HA31247	-	172,525
Total - Department of Health and Human Services				-	292,440
<u>Department of Homeland Security</u>					
Emergency Food and Shelter National Board Program Lake Area United Way EFSP FEMA	Direct	97.024	LRO 271600-005	-	10,330
Assistance to Firefighters Grant Fire Wellness Grant	Direct	97.044	EMW-2016-FO-06909	-	83,314
Total - Department of Homeland Security				-	93,644
Total federal awards expended				\$ 245,730	\$ 5,268,368

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, 2018. 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:	Disclaimer as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit finding 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
14.239	CDBG - Entitlement Grants Cluster Home Investment Partnerships Program	Unmodified Unmodified

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2018-001

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

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2017-001.

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. 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

Controls had not been developed to ensure that reconcilements of the accounting record balances to the bank depository balances were completed at least monthly, as required by state statute.

As of August 5, 2019, two bank accounts, including the payroll account, had not been reconciled at December 31, 2018.

Reconcilements provided for audit for the other City bank accounts were considered a work in progress and were not finalized as of August 5, 2019. The City engaged consultants to perform the reconciliations. In reviewing these reconciliations, we noted the following items:

1. A reconciling item "Deposits in Transit" for a Bank 10 account was overstated by \$593,917. This amount should have been a Due to Bank for another Bank 10 account, as it had already been received in the correct fund in the City's records.
2. There were various items noted in the reconciliations as unidentified items. A Bank 11 account had several "To be Resolved" amounts for each month in 2018, totaling \$2,019,200 as of December 31, 2018. These types of unidentified items were observed on other reconciliations as well. The net amount of unidentified items was negative \$2,417,205.
3. Some bank accounts owed amounts to other bank accounts and these amounts should have been transferred. The "transfers to banks" did not reconcile to the "transfers from banks" by \$5,903,202 in the reconciliations provided. A combined reconcilement across all bank accounts was not provided to ensure that the corresponding bank due to/from amounts agreed.

Consultants were engaged in 2019 to complete the 2018 bank reconciliations. The City's bank accounts have not been reconciled in total for December 31, 2018, as of August 5, 2019. A combined bank reconcilement of all bank accounts, without the amounts identified as due to/from other banks, which should net to zero, identified a \$2,488,732 variance when compared to the financial statement ending cash and investment balance.

Journal Entries

The City did not have an effective system of internal controls to ensure that journal entries were posted accurately and timely. There were no controls to ensure that records that supported adjustments, which required correction by journal entry, were retained and available for audit. One employee and the Controller made all journal entries; however, there was no review process in place to ensure journal entries were posted accurately and timely.

Receipts

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

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

Gaming State Distributions

State Distributions for Gaming Revenues were intercepted by a bank for monthly payments on the Tax Revenue Bonds, Series 2016. The intercepted amounts were used by the bank for the City's Debt Service payments for the bond issue. Any amounts remaining after the intercepted distributions were applied to the debt payments were remitted to the City. The amounts intercepted from the gaming distributions for debt payments should have been recorded in the City's financial system as receipts and disbursements, but were not.

1. Distribution amounts totaling \$861,681 intercepted by the bank for the months of June until December 2018 were not recorded in the City's financial system as receipts or disbursements.
2. Additionally, June and July distribution amounts remaining after the debt payment was intercepted were not recorded as receipts in the City's records, although the City had received these net distributions. A total of \$1,247,840 in receipts were not recorded in the City's financial accounting system.

The Controller provided the financial statement adjustment at the beginning of the audit and they are included in the financial statement.

Other State Distributions

Sixteen of the 2018 state distributions totaling \$385,076 were not recorded in the City's financial accounting system. Two of the sixteen distributions totaling \$155,356 were for federal grant reimbursements. These sixteen distributions were traced to the City's bank statements to confirm that they were received by the City.

Financial Reporting

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, from the City's financial accounting system. There was no evidence of an oversight or review process to detect and correct errors before submission.

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.

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

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. . . .

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. . . ."

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)

Cause

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

Effect

The failure to provide accurate and complete reconciliations of the bank account balances to the record balances prevented the determination of whether or not the cash and investment balance (financial position) of the City was fairly presented as of December 31, 2018.

The failure to establish a system of internal controls could have enabled material misstatements or irregularities to remain undetected for journal entries. The failure to establish a system of internal controls over receipts enabled misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the City at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner.

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

Recommendation

We recommended that the City establish a system of internal controls to ensure that depository reconcilements will be accurately performed on a timely basis in accordance with state statute.

We recommended that the City's management establish a system of internal controls, including segregation of duties, related to financial transactions and reporting.

Views of Responsible Officials

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

FINDING 2018-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2017-001.

Condition

The City did not have an effective system of internal control in place to prevent, or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA).

The City failed to properly review the federal grant information prepared and submitted in the Indiana Gateway for Government Units financial reporting system, which is the source of the SEFA. One employee prepared the grant information for the federal awards without a system of oversight or review to detect and correct errors before submission.

Context

Due to the lack of controls, the SEFA presented for audit included the following errors:

1. The Summer Food Service Program for Children expenditures were overstated by \$590.
2. The Community Development Block Grants/Entitlement Grants expenditures of \$181,962 were reported as Section 108 loan expenditures in error.
3. The Community Development Block Grants/Entitlement Grants Section 108 loan expenditures were understated by \$404,546.
4. The Community Development Block Grants/Entitlement Grants program income expenditures of \$96,525 were omitted.
5. The Coastal Zone Management Administration Awards expenditures of \$6,237 were omitted.
6. The Home Investment Partnerships Program grant expenditures were understated by \$14,951.

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

7. The Crime Victim Assistance expenditures were understated by \$231,233.
8. The Victim of Crime Act expenditures were overstated by \$230,811.
9. The Crime Victim Compensation grant expenditures of \$427 were omitted.
10. The Equitable Sharing Program expenditures were overstated by \$49,808.
11. Various other grants had incorrect grant names or identifying numbers.

Audit adjustments were proposed, approved by the City, and made to the SEFA.

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. . . ."

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

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

§ 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.
- (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

The City's management failed to implement an effective system of internal controls that would have ensured proper reporting of the SEFA.

Effect

The failure to implement an effective internal control system enabled material misstatements to go undetected. The SEFA contained the errors identified in the *Context*.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management implement effective controls to ensure accurate and complete reporting 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 2018-003

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 Numbers and Years (or Other Identifying Numbers): B08MN180005, B11MN180005,
B-14-MC-18-0005 (Section 108 Loan)
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Repeat Findings

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2017-002.

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 compliance requirement.

The City had not designed or implemented adequate policies or procedures to ensure that monthly reports for the Section 108 loan were substantially completed for the audit period. The City failed to prepare and submit the monthly reports for January through July 2018. Beginning in August 2018, the City prepared and submitted the required monthly reports for the remainder of the audit period.

The City had not designed or implemented adequate policies and procedures to ensure that the National Stabilization Program (NSP 1 & 3) quarterly reports were accurately prepared and submitted. There was no oversight, review, or monitoring process.

Context

The lack of controls and noncompliance over the Section 108 loan reports applied for the period January through July 2018, or 14 out of 24 reports. The lack of controls over the Neighborhood Stabilization Program reports was a systemic issue throughout the audit period.

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:

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

"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. . . .

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 the grant agreement and the 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.

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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

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KAREN M. FREEMAN-WILSON

Mayor

DAYNA BENNETT

Chief of Staff

Angelia Hayes

Controller

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-001 Financial Transactions and Reporting

Fiscal year in which the finding initially occurred: 2017

Pass-Through Entity: N/A

Contact Person Responsible for Corrective Action: Angelia Hayes

Contact Phone Number: 219-881-1363

Status of Audit Finding:

The City has established an Internal Controls Committee in the Department of Finance led by the City's Internal Auditor. While the development of policies and procedures did not occur as quickly as intended and originally projected, such documents have now been developed and are attached hereto. The Department of Finance staff have been trained on the new policies which have been implemented immediately.

With the change in Controllers, new procedures are being implemented to eliminate the prior practice of one employee being responsible for all bank reconciliations, journal entries, and recording of state and county deposits.

Bank Reconciliations

- City hired contractors to assist with bank reconciliations and making corrections
- Cash and bank accounts are monitored and daily activity posted
- Different staff are responsible for outstanding check posting
- Maintain updated list of all bank reconciliations
- Use a checklist for all monthly bank reconciliation accounts on Excel spreadsheet (see attached)
- Ensure that preparer of bank reconciliation sign-off on completed work product
- Ensure that bank reconciliation approver is not the preparer, and that the approver reviews and signs off on all bank reconciliations
- Upload monthly bank reconciliations into Gateway system (state financial system)

Financial Reporting

- Prepare financial statement with sign off by preparer
- Approver (not preparer) reviews, approves and signs off on statement

Schedule of Expenditure of Federal Awards (SEFA)

- Maintain updated list of federal grant awards

- Implement preparation of SEFA policy (see attached)
- Utilize SEFA checklist upon completion (see attached)

Receipts

- Emails are sent to five staff members to ensure timely notice of electronic deposits
- Daily activity is monitored
- Property tax receipts are reviewed once posted for accuracy and timeliness



Angelia Hayes, Controller
July 1, 2019

SECTION 108 LOAN
Yearly Bank Reconciliation
Bank # 19-Cash
Fund # 446
Bank Account No #

Month	Completions Date	Completed By	Approval Date	Approver	Transactions & Activities Reviewed	Reconciler / Preparer Independent of other duties	Prior Month Deposits in Transit Cleared	All Fees, Interest & Proceeds Recorded	Bank & Book Error Adjustments Made	Does ending Bank Balance Agree with GL Balance	All Supporting Documents Attached to Rec. Report	All Differences Investigated & Explained	Bank Rec. Signed & Dated by Reconciler / Preparer	Other than Reconciler / Preparer Has Bank Rec. been Reviewed for Accuracy & Completion	Has Approver Signed & Dated Bank Rec.	Bank Rec. & Supportive Documents are filer for Future Viewing	Uploaded to gateway
January	4/1/2019	Mary Lewis	4/15/2019	Angelia Hayes	yes	yes	yes	N/A	yes	yes	yes	yes	yes	yes	yes	yes	4/15/2019
February	4/1/2019	Mary Lewis	4/15/2019	Angelia Hayes	yes	yes	yes	N/A	yes	yes	yes	yes	yes	yes	yes	yes	4/15/2019
March	6/11/2019	Debbie Pilsudski	6/11/2019	Angelia Hayes	yes	yes	yes	N/A	yes	yes	yes	yes	yes	yes	yes	yes	6/11/2019
April	6/11/2019	Debbie Pilsudski	6/11/2019	Angelia Hayes	yes	yes	yes	N/A	yes	yes	yes	yes	yes	yes	yes	yes	6/11/2019
May																	
June																	
July																	
August																	
September																	
October																	
November																	
December																	

**City of Gary
Bank Reconciliation
Bank # 19 Cash 10100
Fund # 446**

April 2019

Description	Beg Bal	Receipts	Disbursements	End Bal
Balance per Bank	\$ 630,139.69 ✓	\$ 225,353.33 ✓	-	\$ 855,493.02 ✓
Interest Income	-	-	-	-
Bank Adjustments:				
Deposits in Transit	-	-	-	-
O/S Checks	-	-	-	-
Reconciling Items				-
Adjusted Balance per Bank	<u>\$ 630,139.69</u>			<u>\$ 855,493.02</u>
Balance Per General Ledger	\$ 630,139.69	\$ 225,353.33	-	\$ 855,493.02 ✓
Difference			\$	-
Outstanding checks	Check #	Amount		
		\$ -		
Reconciling items:				
	\$ -			

Reconciled by: Debbie Pilsudski

Initials: 

Date: 6/11/2019

Reviewed By: 

Date: 6/11/19



Mayor Karen Freeman-Wilson
Special Administrator

Daniel F. Vicari, P.E.
Executive Director

Main Office
3600 West 3rd 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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

Status of Audit Finding:

1. It was noted that the bank reconcilements did not have a date relative to when the reconciliations were reviewed and performed. **Please see attached a copy of the December 2018 bank reconciliation and bank statement with date included; this is a representative sample of GSD's standard practice.**
2. It was noted that as of August 2018, the most recent reconciliation was as of January 2018. **The preparers of the bank reconciliations were performing research and due diligence relative to outstanding un-reconciled items and could not move forward with the reconciliation process until these issues were corrected. These un-reconciled items have now been identified, and the reconciliations are now within GSD's reconciliation timeframe.**
3. 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. **GSD disagrees with the auditors' blanket statement regarding the absence of an effective system of internal control related to journal entries. The basis for this statement appears to have been one item that was properly identified by the GSD staff but not corrected. As GSD shared previously with the auditor, it does not consider this isolated incident to rise to the level of an internal control deficiency.**
4. Finally, 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. **Again, GSD disagrees with the auditor's blanket statement that regarding the absence of controls to ensure that records in support of adjustments which required correction by journal entry were retained and available for audit. All files and records of journal entries are maintained at GSD along with the support for all journal entries. All of this documentation was provided to the auditors.**

Ms. Vern E. White



Gary Sanitary District, Director of Administration

6/25/2019



KAREN FREEMAN-WILSON
Mayor

CITY OF GARY
DIVISION OF COMMUNITY DEVELOPMENT

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

ARLENE D. COLVIN
Director

E. NIKOLE RUMPH
Deputy Director

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-02 (Auditor Assigned Reference Number)

Fiscal year in which the finding initially occurred: 2017

Federal Grantor Agency: Department of Housing and Urban Development

Contact Person Responsible for Corrective Action: Arlene Colvin, Director

Contact Phone Number: (219) 881-5075

Status of Audit Finding: This audit finding was corrected as of September 15, 2018. A tracking system was implemented to ensure that monthly financial reports were submitted on or before the 15th of every month as required by the terms of the Contract for Section 108 Loan Assistance. All reports are currently up to date.

Arlene Colvin

(Signature)

DIRECTOR

(Title)

06/12/19

(Date)



Karen Freeman-
Wilson
Mayor

City of Gary
FIRE DEPARTMENT
FIRE HEADQUARTERS

200 East 5th Ave.- GARY, IN 46402-1309
(219) 881-5252 - Fax (219) 882-7453



Paul Bradley
Fire Chief
James Stanton
Deputy Chief

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-003

Fiscal year in which the finding initially occurred: **2017**

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: **Department of Homeland Security**

Contact Person Responsible for Corrective Action: **James Stanton**

Contact Phone Number: **219-881-5252**

Status of Audit Finding:

In response to audit finding 2017-003 the fire department has since had a change in personnel and the new business manager has received and read the grant management policy (see attached). In addition, training is currently in progress. When requesting funds from the grantor, she will complete and sign the drawdown request form (see attached) and then the form is reviewed and approved by the supervisor. Upon approval the drawdown request is submitted to the Finance Department for processing. It is our belief that this internal control being followed will eliminate the City for being at risk of being non-compliant with federal grant requirements.


(Signature)

Deputy Fire Chief
(Title)

6-25-19
(Date)



Karen Freeman-
Wilson
Mayor

City of Gary FIRE DEPARTMENT

FIRE HEADQUARTERS
200 East 5th Ave.- GARY, IN 46402-1309
(219) 881-5252 - Fax (219) 882-7453



Paul Bradley
Fire Chief
James Stanton
Deputy Chief

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-004

Fiscal year in which the finding initially occurred: **2017**

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: **Department of Homeland Security**

Contact Person Responsible for Corrective Action: **James Stanton**

Contact Phone Number: **219-881-5252**

Status of Audit Finding:

In response to audit finding 2017-004 the fire departments' new business manager has reviewed and understand the grant policy for proper disposal of equipment. In the future, the City will also notify the grantor prior to disposal of an asset. New SCBA equipment purchased in 2017 has been recorded and listed separately with the serial and model numbers (see attached). The proper documentation for the old SCBA equipment has been completed and submitted to the Finance Department to remove from the City's inventory and equipment has been properly disposed (see attached).


(Signature)

Deputy Fire chief
(Title)

6-25-19
(Date)



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 2018-001

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.

Description of Corrective Action Plan Bank Reconciliations:

The City has established an Internal Controls Committee in the Department of Finance led by the City's Internal Auditor. The Internal Control Committee developed the Bank Reconciliation Policy and Check List. The new Policy Check List will aid in improving the accuracy and timeliness of the bank reconciliations.

There are many challenges with performing the bank reconciliations. The majority of the banks had outstanding amounts due to or due from other banks. None of these transactions have been posted into the City's accounting system with some going as far back as 2007. As part of the reconciliation process, the City's consultants were working on identifying these transactions to allow for a more accurate bank reconciliation. To date, all but three of the City's thirty one banks have been reconciled to June, 2019. The corrections for these accounts are continually being identified as part of the bank reconciliation process. The completion date is November 30, 2019 to allow time to research and correct the outstanding due to or due from.

Description of Corrective Action Plan Receipts, Gaming State Distributions and Other State Distributions:

On March 1, 2018, a new Controller joined the City of Gary team who is in the process of implementing new processes and procedures to improve the Finance Departments performance. One of the new procedures is to implement a finance internal revenue working group to improve communication within the Finance Department and to ensure accuracy and timeliness for the posting of receipts. The completion date is September 20, 2019.

Description of Corrective Action Plan Journal Entries:

Part of the new procedure process is to develop and implement a journal entry policy. The new journal entry policy will include provisions of a review process and that the supporting documentation for the journal entry is retained for audit. The completion date to develop and implement the new policy is September 20, 2019.

Description of Corrective Action Plan Financial Reporting:

A check list will be developed and retained for audit to document the oversight of the information submitted into Gateway for Government Units financial reporting system. The completion date to develop and implement the check list is March 1, 2020 when the 2019 information is due in Gateway.



(Signature)

Controller

(Title)

8/20/19

(Date)



City Of Gary

Department of Finance

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Gary, Indiana 46402

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KAREN M. FREEMAN-WILSON

Mayor

DAYNA BENNETT

Chief of Staff

Angelia Hayes

Controller

CORRECTIVE ACTION PLAN

FINDING 2018-002

Preparation of the Schedule of Expenditures of Federal Awards

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.

Description of Corrective Action Plan

The City has established an Internal Controls Committee in the Department of Finance led by the City's Internal Auditor. The Internal Control Committee developed the Schedule of Expenditures of Federal Awards (SEFA) Policy. The new Policy includes a check list to aid in improving the accuracy of the SEFA.

On March 1, 2018, a new Controller joined the City of Gary team. New procedures are being developed to more accurately identify federal grant revenues and expenditures within the accounting software. Finance staff charged with preparing the SEFA will attend 2 CFR 200 training course. The corrective action plan is to be completed within 90 days for the software updates and the training.



(Signature)

Controller

(Title)

8/20/19

(Date)



KAREN FREEMAN-WILSON
Mayor

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DIVISION OF COMMUNITY DEVELOPMENT

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ARLENE D. COLVIN
Director

E. NIKOLE RUMPH
Deputy Director

CORRECTIVE ACTION PLAN

FINDING 2018 - 003

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 has been implemented for the 108 loan financial reports to ensure that these reports are submitted on or before the 15th of every month as required by the loan contract. Reports are up to date. Quarterly Neighborhood Stabilization Program (NSP) reports will continue to be accurately prepared and will be reviewed by the Director or Deputy Director before submission to HUD. Review will be evidenced by a sign-off document executed by the Director or the Deputy Director, as appropriate.

Anticipated Completion Date: October 30, 2019 (Due date of next quarterly NSP report)

(Signature)

Director

(Title)

08/19/2019

(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/>.