

COUNCIL
PENDING ORDINANCE 2023-52
ORDINANCE NO. _____
AS AMENDED _____
CERTIFICATION DATE _____
CERTIFIED BY _____
FAVORABLY _____
UNFAVORABLY _____

**AN ORDINANCE FOR THE CITY OF GARY, INDIANA, LAKE COUNTY,
APPROVING PRIOR YEAR ADJUSTMENTS TO RECONCILE CERTAIN
FUND LEDGER BALANCES AND BANK STATEMENTS**

WHEREAS, it has been determined that certain amounts on bank reconciliations due to or due between City of Gary Banks have remained outstanding for several; and

WHEREAS, these amounts have remained outstanding due to certain funds having insufficient cash to make the necessary transfers because of property tax reductions resulting from recession or reductions in property taxes due to property tax caps; and,

WHEREAS, according to audits since 2018, several large bank accounts were not reconciled or accurately reconciled due to changes in process and procedures and involving transfers and opening and closing bank accounts, while not timely and accurately recording financial activity in ledgers, resulting in reconciled differences; and,

WHEREAS, professional consultants were engaged to develop action steps to address the above issues, and have put forth the following recommendations, as detailed in the attached Exhibits.

WHEREAS, to maintain the integrity of the City of Gary's financial records, and setup a proper course towards SBOA compliance and greater financial records accuracy to guide the City's financial decisions, it is deemed necessary to address the issues stated herein and implement the corrective action steps stated herein; and,

NOW THEREFORE, BE IT ORDAINED by the Common Council of the City of Gary, Indiana as follows:

Section 1. That the City Controller's Office is hereby authorized to execute the adjustments, transfers, and journal entries as identified in the attached exhibits

Section 2. This ordinance is effective retroactively to December 31, 2021.

PASSED and **ADOPTED**, by the Common Council of the City of Gary, Indiana, this _____ day of _____, 2023.

PRESIDING OFFICER

ATTEST:

CITY CLERK

Presented by me to the Mayor for his approval and signature this ___ day of _____ 2023.

CITY CLERK

APPROVED and **SIGNED** by me this ___ day of _____ 2023.

MAYOR, CITY OF GARY, INDIANA

REVIEWED BY: The Law Department (AL)

SPONSORED BY: Jerome Prince Mayor
Celita Green, Controller

COMMITTEE ASSIGNMENT _____ Reported-out/Date _____
1st Reading/Date _____ Committee Hearing/Date ___ 2nd Reading/Date _____ Public
Hearing/Date ___ 3rd Reading/Date _____ Final Reading/Date _____
Passed/Date _____ Defeated/Date _____ Deferred/Date _____
Tabled/Date _____ Override/Date _____ Adopted/Date ___ Publication/Date _____ Community
Hearing/Date _____ Veto _____ Pocket Veto _____ Adopted _____

CITY OF GARY

Adjusting Journal Entries - Prior Period Adjustments
For Period ending 12/31/2021
Posted as of 12/31/22 and 1/1/23

<u>AJE No.</u>	<u>Date</u>	<u>Bank No.</u>	<u>Fund No.</u>	<u>Account</u>	<u>Account Number</u>	<u>Debit</u>	<u>Credit</u>
1	12/31/2022	5	8902	Cash	10100	\$ 619,609.03	
		5	8902	Fund Balance	27100		\$ 619,609.03
To record the payroll withholdings receipts not posted systematically due to programming errors with the conversio to ADP payroll, covering the period October through December of 2021							
2	12/31/2022	5	8902	Cash	10100	\$ 349,580.21	
		5	8902	Fund Balance	27100		\$ 349,580.21
To record the remaining beginning balance differences identified in 2021 related to the beginning balance in 2020							
3	1/1/2023	011	1101	Fund Balance	27100	\$ 1,437,519.06	
		011	1101	Cash	10100		\$ 1,437,519.06
To record the remaining beginning balance differences identified in 2021 related to the beginning balance in 2020							
4	1/1/2023	93	2215	Fund Balance	27100	\$ 383,186.83	
		93	2215	Cash	10100		\$ 383,186.83
To correct the Accumed deposits posted incorrectly in 2021							
5	1/1/2023	011	1101	Cash	10100	\$ 824,407.15	
		011	1101	Fund Balance	27100		\$ 824,407.15
To adjust for an old AIM claim that did not clear the bank							
6	1/1/2023	011	1101	Expenditures	24200	\$ 686,552.18	
		011	1101	Cash	10100		\$ 686,552.18
		56	2531	Cash	10100	\$ 686,552.18	
		56	2531	Revenues	17200		\$ 686,552.18
To record a wire transfer that was not posted between Bank 11 and Bank 56							
7	1/1/2023	22	2512	Expenditures	24200	\$ 230,499.55	
		22	2512	Cash	10100		\$ 230,499.55
a. To record net adjustments for outstanding wire transfers and NSF fees not posted for Bank 22							
8	1/1/2023	56	2531	Expenditures	24200	\$ 546,238.49	
		56	2531	Cash	10100		\$ 546,238.49
a. To record disbursements to UMB that were not posted in August 2021							