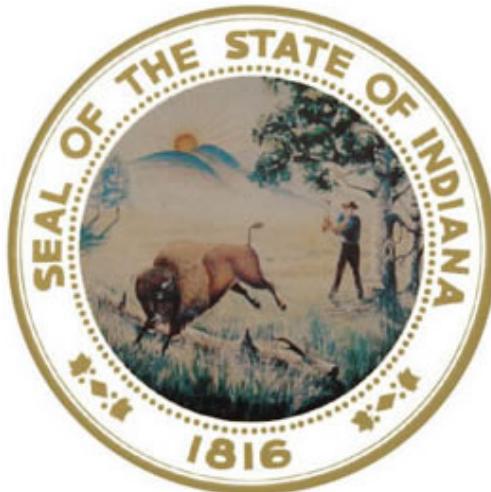


**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CITY OF NEW ALBANY  
FLOYD COUNTY, INDIANA

January 1, 2015 to December 31, 2015



**FILED**  
02/08/2017



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## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Linda S. Moeller	01-01-15 to 12-31-16
Mayor	Jeff Gahan	01-01-12 to 12-31-19
President of the Board of Public Works and Safety	Warren Nash	01-01-15 to 12-31-16
President of the Common Council	Patrick McLaughlin	01-01-15 to 12-31-16
Utility Office Manager	April Dickey	01-01-15 to 12-31-16



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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STATE BOARD OF ACCOUNTS  
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## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF NEW ALBANY, FLOYD COUNTY, INDIANA

### **Report on the Financial Statement**

We have audited the accompanying financial statement of the City of New Albany (City), which comprises the financial position and results of operations for the year ended December 31, 2015, 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 (Indiana Code 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

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

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2015.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

***Supplementary Information***

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

***Other Information***

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2016, 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 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 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*  
Paul D. Joyce, CPA  
State Examiner

December 21, 2016



**STATE OF INDIANA**  
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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
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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 NEW ALBANY, FLOYD 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 New Albany (City), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement, and have issued our report thereon dated December 21, 2016, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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*  
Paul D. Joyce, CPA  
State Examiner

December 21, 2016

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#### FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

**CITY OF NEW ALBANY**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -**  
**REGULATORY BASIS**  
For the Year Ended December 31, 2015

Fund	Cash and Investments 01-01-15		Receipts		Disbursements		Cash and Investments 12-31-15	
General	\$ 773,947	\$ 21,735,524	\$ 22,450,876	\$ 58,595				
Motor Vehicle Highway	170,970	1,224,368	1,343,789	51,549				
Local Road And Street	371,203	378,109	297,014	452,298				
Parking Meter	74,623	122,679	95,080	102,222				
Park Nonreverting Operating	17,332	457	3,210	14,579				
Abandoned Vehicle	100,376	157,917	97,914	160,379				
Coyle Bond	-	4,270,000	4,064,004	205,996				
Law Enforcement Continuing Education	15,492	28,908	16,855	27,545				
Unsafe Building	72,815	178,837	130,494	121,158				
Riverboat	2,140,645	851,365	481,588	2,510,422				
Rainy Day	711,896	-	-	711,896				
Grant Line Bond TIF	2,115,949	325,376	120,617	2,320,708				
TIF Charlestown Rd	5,056,952	2,411,804	1,250,077	6,218,679				
Park Cumulative Capital	219,831	107,563	246,765	80,629				
Cumulative Capital Improvement	83,732	91,357	88,190	86,899				
EDIT	2,346,558	2,970,701	2,926,020	2,391,239				
Police Pension	387,916	2,463,827	1,855,005	996,738				
Fire Pension	373,918	1,896,181	1,987,961	282,138				
EPA Brownfield Grant	-	123,911	123,911	-				
Local Law Grant	520	-	-	520				
Crimes Against Children	22	-	-	22				
Communications Non Reverting	15,336	-	-	15,336				
New Direction	197	-	-	197				
Walking Patrol	15,035	-	-	15,035				
Farmer's Market	1,000	-	-	1,000				
TIF Grant Line Debt Reserve	533,016	-	-	533,016				
TIF Spring Street Debt Reserve	202,950	-	-	202,950				
Redev 05 Bond Reserve	220,000	-	-	220,000				
TIF Daisy Lane Bond Proceeds	276,450	-	-	276,450				
Donations	63,932	126,869	82,117	108,684				
Interest- Federal Equit Shr	706	91,136	69,202	22,640				
Grant Line Road TIF	2,829,271	574,861	1,228,777	2,175,355				
Park East TIF	2,678,190	910,743	1,142,769	2,446,164				
State Street TIF	4,069,503	2,644,762	3,501,511	3,212,754				
Garage TIF	414,862	349,151	379,897	384,116				
Old Monon TIF	954,851	1,522,694	1,811,655	665,890				
Tax Abatement	265,294	111,375	90,992	285,677				
Emergency Medical Service	29,923	1,740	-	31,663				
Animal Control Runs Non Rever	44,062	20,024	8,212	55,874				
City Redevelopment	9,255	945,372	947,225	7,402				
Community Promotions	64	-	-	64				
Fire Run Contracts Non Rev	156,089	37,747	56,282	137,554				
Loop Island	13,538	6,484	8,044	11,978				
Parks Shelterhouse N/R	41,831	-	-	41,831				
State Street Garage	152,575	30,219	26,622	156,172				
Tree Board	3,777	-	-	3,777				
Veterinary Non.Rev.	51,237	27,884	31,901	47,220				
Home Rehab Program	114,239	5,844	72	120,011				
Rehab Loan Escrow	84,521	35,288	75,786	44,023				
NA Highway 111 Fund	245,789	381,794	626,690	893				
Stormwater	1,930,139	1,877,727	1,724,504	2,083,362				
Sanitation Fund	223,045	2,369,904	2,404,878	188,071				
Reserve Liability	4,479	196,831	137,861	63,449				
Park East Pledged TIF	644,480	210	-	644,690				
Caesar's Donations	960,712	1,279,417	1,360,896	879,233				
Medical/Drug Fund	252,174	4,954,334	5,093,063	113,445				
Fairview Cemetery Perp Car	235,636	19,965	71,598	184,003				
Payroll	(971)	23,297,991	23,297,020	-				
Stormwater Bond	2,882,926	13,667	730,791	2,165,802				
SRF Debt Serv. Reserve	592,936	-	-	592,936				
SRF Bond and Interest	1,826,031	5,411,120	5,434,147	1,803,004				
Sanitation 1	256,141	2,469,177	2,369,904	355,414				
2012 Debt Service Reserve	2,191,390	285,396	-	2,476,786				
Wastewater Utility-Operating	8,461,435	16,317,902	17,131,239	7,648,098				
Sewer Operating Reserve	60,622	-	-	60,622				
<b>Totals</b>	<b>\$ 49,043,365</b>	<b>\$ 105,656,512</b>	<b>\$ 107,423,025</b>	<b>\$ 47,276,852</b>				

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

CITY OF NEW ALBANY  
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, water, wastewater, electric, gas, 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, which can include 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, which include 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, dog tax licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

**CITY OF NEW ALBANY**  
**NOTES TO FINANCIAL STATEMENT**  
**(Continued)**

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

Charges for services, which can include, but are not limited to, the following: planning commission charges, building department charges, copies of public records, copy machine 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, which include receipts derived 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, which are comprised mostly of charges for current services.

Other receipts, which include 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, which include outflows 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, which include 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 office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges, which include, but are 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, which includes fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF NEW ALBANY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Capital outlay, which includes all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses, which include all outflows for operating the utilities.

Other disbursements, which include, but are 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, transfer money 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 money 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 money accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF NEW ALBANY  
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) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

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

CITY OF NEW ALBANY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

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

*On Behalf Payments*

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

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

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

*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.

CITY OF NEW ALBANY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

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

*Funding Policy*

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

***Note 7. Other Postemployment Benefits***

The City provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all policemen and firemen who retire from the City with at least 20 years of service and to Local 1861 Union and CWA Communications Union employees who retire from the City with at least 10 years of service. 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.

#### OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Gateway 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 NEW ALBANY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	General	Motor Vehicle Highway	Local Road And Street	Parking Meter	Park Nonreverting Operating	Abandoned Vehicle
Cash and investments - beginning	\$ 773,947	\$ 170,970	\$ 371,203	\$ 74,623	\$ 17,332	\$ 100,376
<b>Receipts:</b>						
Taxes	13,325,932	-	-	-	-	-
Licenses and permits	717,836	-	-	-	-	-
Intergovernmental receipts	6,661,194	1,224,262	378,109	-	-	-
Charges for services	802,625	106	-	4,735	-	135,076
Fines and forfeits	-	-	-	117,944	-	22,841
Utility fees	-	-	-	-	-	-
Other receipts	227,937	-	-	-	457	-
<b>Total receipts</b>	<b>21,735,524</b>	<b>1,224,368</b>	<b>378,109</b>	<b>122,679</b>	<b>457</b>	<b>157,917</b>
<b>Disbursements:</b>						
Personal services	18,088,010	1,079,373	-	45,866	-	-
Supplies	869,905	134,517	-	196	-	6,193
Other services and charges	3,400,751	129,899	216,038	47,524	3,210	91,721
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	92,210	-	80,976	1,494	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
<b>Total disbursements</b>	<b>22,450,876</b>	<b>1,343,789</b>	<b>297,014</b>	<b>95,080</b>	<b>3,210</b>	<b>97,914</b>
Excess (deficiency) of receipts over disbursements	(715,352)	(119,421)	81,095	27,599	(2,753)	60,003
Cash and investments - ending	<b>\$ 58,595</b>	<b>\$ 51,549</b>	<b>\$ 452,298</b>	<b>\$ 102,222</b>	<b>\$ 14,579</b>	<b>\$ 160,379</b>

CITY OF NEW ALBANY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Coyle Bond	Law Enforcement Continuing Education	Unsafe Building	Riverboat	Rainy Day	Grant Line Bond TIF
Cash and investments - beginning	\$ -	\$ 15,492	\$ 72,815	\$ 2,140,645	\$ 711,896	\$ 2,115,949
<b>Receipts:</b>						
Taxes	-	-	-	-	-	-
Licenses and permits	-	17,650	-	-	-	-
Intergovernmental receipts	-	-	-	851,365	-	-
Charges for services	-	11,258	178,837	-	-	324,808
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	4,270,000	-	-	-	-	568
<b>Total receipts</b>	<b>4,270,000</b>	<b>28,908</b>	<b>178,837</b>	<b>851,365</b>	<b>-</b>	<b>325,376</b>
<b>Disbursements:</b>						
Personal services	-	-	-	-	-	-
Supplies	-	266	-	241,926	-	-
Other services and charges	4,064,004	16,589	130,494	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	204,662	-	120,617
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	35,000	-	-
<b>Total disbursements</b>	<b>4,064,004</b>	<b>16,855</b>	<b>130,494</b>	<b>481,588</b>	<b>-</b>	<b>120,617</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>205,996</b>	<b>12,053</b>	<b>48,343</b>	<b>369,777</b>	<b>-</b>	<b>204,759</b>
<b>Cash and investments - ending</b>	<b>\$ 205,996</b>	<b>\$ 27,545</b>	<b>\$ 121,158</b>	<b>\$ 2,510,422</b>	<b>\$ 711,896</b>	<b>\$ 2,320,708</b>

CITY OF NEW ALBANY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	TIF Charlestown Rd	Park Cumulative Capital	Cumulative Capital Improvement	EDIT	Police Pension	Fire Pension
Cash and investments - beginning	\$ 5,056,952	\$ 219,831	\$ 83,732	\$ 2,346,558	\$ 387,916	\$ 373,918
<b>Receipts:</b>						
Taxes	2,403,045	99,701	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	7,034	91,357	2,970,701	2,463,827	1,896,181
Charges for services	-	828	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	8,759	-	-	-	-	-
<b>Total receipts</b>	<b>2,411,804</b>	<b>107,563</b>	<b>91,357</b>	<b>2,970,701</b>	<b>2,463,827</b>	<b>1,896,181</b>
<b>Disbursements:</b>						
Personal services	-	-	-	987,210	1,854,044	1,987,667
Supplies	-	-	-	1,497	374	294
Other services and charges	-	-	-	346,863	587	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,250,077	246,765	88,190	1,590,450	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,250,077</b>	<b>246,765</b>	<b>88,190</b>	<b>2,926,020</b>	<b>1,855,005</b>	<b>1,987,961</b>
Excess (deficiency) of receipts over disbursements	1,161,727	(139,202)	3,167	44,681	608,822	(91,780)
Cash and investments - ending	<b>\$ 6,218,679</b>	<b>\$ 80,629</b>	<b>\$ 86,899</b>	<b>\$ 2,391,239</b>	<b>\$ 996,738</b>	<b>\$ 282,138</b>

CITY OF NEW ALBANY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	EPA Brownfield Grant	Local Law Grant	Crimes Against Children	Communications Non Reverting	New Direction	Walking Patrol
Cash and investments - beginning	\$ -	\$ 520	\$ 22	\$ 15,336	\$ 197	\$ 15,035
<b>Receipts:</b>						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	123,911	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total receipts</b>	<b>123,911</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	123,911	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
<b>Total disbursements</b>	<b>123,911</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ 520	\$ 22	\$ 15,336	\$ 197	\$ 15,035

CITY OF NEW ALBANY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	TIF Grant Line Debt Reserve	TIF Spring Street Debt Reserve	Redev 05 Bond Reserve	TIF Daisy Lane Bond Proceeds	Donations
Cash and investments - beginning	\$ 1,000	\$ 533,016	\$ 202,950	\$ 220,000	\$ 276,450
<b>Receipts:</b>					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	-	-	-	126,869
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>126,869</b>
<b>Disbursements:</b>					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	82,117
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,117</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,752</b>
Cash and investments - ending	<u>\$ 1,000</u>	<u>\$ 533,016</u>	<u>\$ 202,950</u>	<u>\$ 220,000</u>	<u>\$ 276,450</u>
	<u>\$ 108,684</u>				

CITY OF NEW ALBANY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Interest-Federal Equit Shr	Grant Line Road TIF	Park East TIF	State Street TIF	Garage TIF	Old Monon TIF
Cash and investments - beginning	\$ 706	\$ 2,829,271	\$ 2,678,190	\$ 4,069,503	\$ 414,862	\$ 954,851
Receipts:						
Taxes	-	570,481	906,781	2,638,746	348,640	1,521,826
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	91,128	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	8	4,380	3,962	6,016	511	868
Total receipts	91,136	574,861	910,743	2,644,762	349,151	1,522,694
Disbursements:						
Personal services	-	90,566	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	69,202	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	1,138,211	1,142,769	3,501,511	379,897	1,811,655
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	69,202	1,228,777	1,142,769	3,501,511	379,897	1,811,655
Excess (deficiency) of receipts over disbursements	21,934	(653,916)	(232,026)	(856,749)	(30,746)	(288,961)
Cash and investments - ending	\$ 22,640	\$ 2,175,355	\$ 2,446,164	\$ 3,212,754	\$ 384,116	\$ 665,890

CITY OF NEW ALBANY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Tax Abatement	Emergency Medical Service	Animal Control Runs Non Rever	City Redevelopment	Community Promotions	Fire Run Contracts Non Rev
Cash and investments - beginning	\$ 265,294	\$ 29,923	\$ 44,062	\$ 9,255	\$ 64	\$ 156,089
<b>Receipts:</b>						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	14,554	-	-	-
Intergovernmental receipts	-	-	-	834,078	-	-
Charges for services	111,375	1,740	5,470	111,217	-	37,747
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	77	-	-
<b>Total receipts</b>	<b>111,375</b>	<b>1,740</b>	<b>20,024</b>	<b>945,372</b>	<b>-</b>	<b>37,747</b>
<b>Disbursements:</b>						
Personal services	87,037	-	-	218,356	-	-
Supplies	-	-	894	-	-	-
Other services and charges	-	-	7,318	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	3,955	-	-	728,869	-	56,282
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
<b>Total disbursements</b>	<b>90,992</b>	<b>-</b>	<b>8,212</b>	<b>947,225</b>	<b>-</b>	<b>56,282</b>
Excess (deficiency) of receipts over disbursements	20,383	1,740	11,812	(1,853)	-	(18,535)
Cash and investments - ending	<b>\$ 285,677</b>	<b>\$ 31,663</b>	<b>\$ 55,874</b>	<b>\$ 7,402</b>	<b>\$ 64</b>	<b>\$ 137,554</b>

CITY OF NEW ALBANY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Loop Island	Parks Shelterhouse N/R	State Street Garage	Tree Board	Veterinary Non.Rev.	Home Rehab Program
Cash and investments - beginning	\$ 13,538	\$ 41,831	\$ 152,575	\$ 3,777	\$ 51,237	\$ 114,239
Receipts:						
Taxes	6,484	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	30,219	-	27,884	5,844
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	6,484	-	30,219	-	27,884	5,844
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	26,622	-	13,339	-
Other services and charges	-	-	-	-	18,562	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	8,044	-	-	-	-	72
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	8,044	-	26,622	-	31,901	72
Excess (deficiency) of receipts over disbursements	(1,560)	-	3,597	-	(4,017)	5,772
Cash and investments - ending	\$ 11,978	\$ 41,831	\$ 156,172	\$ 3,777	\$ 47,220	\$ 120,011

CITY OF NEW ALBANY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Rehab Loan Escrow	NA Highway 111 Fund	Stormwater	Sanitation Fund	Reserve Liability	Park East Pledged TIF
Cash and investments - beginning	\$ 84,521	\$ 245,789	\$ 1,930,139	\$ 223,045	\$ 4,479	\$ 644,480
<b>Receipts:</b>						
Taxes	-	-	-	-	71,215	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	5,616	-
Charges for services	35,288	381,794	-	-	-	210
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	1,877,727	2,369,904	120,000	-
<b>Total receipts</b>	<b>35,288</b>	<b>381,794</b>	<b>1,877,727</b>	<b>2,369,904</b>	<b>196,831</b>	<b>210</b>
<b>Disbursements:</b>						
Personal services	-	-	929,815	-	-	-
Supplies	-	-	118,033	-	-	-
Other services and charges	75,786	626,690	183,057	2,404,878	137,861	-
Debt service - principal and interest	-	-	370,724	-	-	-
Capital outlay	-	-	70,770	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	52,105	-	-	-
<b>Total disbursements</b>	<b>75,786</b>	<b>626,690</b>	<b>1,724,504</b>	<b>2,404,878</b>	<b>137,861</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(40,498)</b>	<b>(244,896)</b>	<b>153,223</b>	<b>(34,974)</b>	<b>58,970</b>	<b>210</b>
Cash and investments - ending	<b>\$ 44,023</b>	<b>\$ 893</b>	<b>\$ 2,083,362</b>	<b>\$ 188,071</b>	<b>\$ 63,449</b>	<b>\$ 644,690</b>

CITY OF NEW ALBANY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	Caesar's Donations	Medical/Drug Fund	Fairview Cemetery Perp Car	Payroll	Stormwater Bond	SRF Debt Serv. Reserve
Cash and investments - beginning	\$ 960,712	\$ 252,174	\$ 235,636	\$ (971)	\$ 2,882,926	\$ 592,936
<b>Receipts:</b>						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	142,417	-	19,670	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,137,000	4,954,334	295	23,297,991	13,667	-
<b>Total receipts</b>	<b>1,279,417</b>	<b>4,954,334</b>	<b>19,965</b>	<b>23,297,991</b>	<b>13,667</b>	<b>-</b>
<b>Disbursements:</b>						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	1,360,896	5,093,063	10,682	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	60,916	-	708,964	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	23,297,020	21,827	-
<b>Total disbursements</b>	<b>1,360,896</b>	<b>5,093,063</b>	<b>71,598</b>	<b>23,297,020</b>	<b>730,791</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(81,479)</b>	<b>(138,729)</b>	<b>(51,633)</b>	<b>971</b>	<b>(717,124)</b>	<b>-</b>
Cash and investments - ending	<b>\$ 879,233</b>	<b>\$ 113,445</b>	<b>\$ 184,003</b>	<b>\$ -</b>	<b>\$ 2,165,802</b>	<b>\$ 592,936</b>

CITY OF NEW ALBANY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	SRF Bond and Interest	Sanitation 1	2012 Debt Service Reserve	Wastewater Utility-Operating	Sewer Operating Reserve	Totals
Cash and investments - beginning	\$ 1,826,031	\$ 256,141	\$ 2,191,390	\$ 8,461,435	\$ 60,622	\$ 49,043,365
Receipts:						
Taxes	-	-	-	-	-	21,892,851
Licenses and permits	-	-	-	-	-	750,040
Intergovernmental receipts	-	-	-	-	-	17,474,852
Charges for services	-	-	-	-	-	2,493,059
Fines and forfeits	-	-	-	-	-	140,785
Utility fees	-	2,469,177	-	16,304,265	-	18,773,442
Other receipts	5,411,120	-	285,396	13,637	-	44,131,483
Total receipts	5,411,120	2,469,177	285,396	16,317,902	-	105,656,512
Disbursements:						
Personal services	-	-	-	1,702,580	-	27,070,524
Supplies	-	-	-	-	-	1,414,056
Other services and charges	-	-	-	238,654	-	18,880,357
Debt service - principal and interest	5,434,147	-	-	-	-	5,804,871
Capital outlay	-	-	-	3,798,897	-	17,086,253
Utility operating expenses	-	2,369,904	-	6,087,270	-	8,457,174
Other disbursements	-	-	-	5,303,838	-	28,709,790
Total disbursements	5,434,147	2,369,904	-	17,131,239	-	107,423,025
Excess (deficiency) of receipts over disbursements	(23,027)	99,273	285,396	(813,337)	-	(1,766,513)
Cash and investments - ending	\$ 1,803,004	\$ 355,414	\$ 2,476,786	\$ 7,648,098	\$ 60,622	\$ 47,276,852

CITY OF NEW ALBANY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
ally	Fire Vehicle 5439	\$ 8,351	12/20/2013	12/20/2018
ally	Fire Vehicle 9475	14,930	7/29/2015	7/29/2019
ally	Fire Vehicle 3545	15,643	3/26/2013	3/26/2017
ally	Fire Vehicle 9052	7,240	12/20/2013	12/20/2018
ally	Fire Vehicle 3716	5,140	12/20/2013	12/20/2018
ally	Parks Vehicle 8853	5,235	10/17/2013	10/17/2016
ally	Fire Vehicle 5172	16,903	3/26/2013	3/26/2017
ally	Parks Truck 3257	5,459	2/20/2013	2/19/2017
New Washington State Bank	Police Vehicle 0857	13,890	1/27/2016	2/5/2019
New Albany Redevelopment Authority	Scribner Aquatic Center	1,231,000	12/12/2005	2/1/2022
New Albany Redevelopment Authority	Park Facilities	1,685,000	3/12/2013	1/1/2036
New Washington State Bank	Police Vehicle 0221	12,624	7/21/2015	8/5/2018
Total governmental activities		<u>3,021,415</u>		
Wastewater:				
PNC	Jetaway Easement Machine	4,231	8/23/2010	7/27/2016
Sun Trust	Freightliner Aquatech 0283	63,403	6/27/2013	7/1/2017
Total Wastewater		<u>67,634</u>		
Total of annual lease payments		<u>\$ 3,089,049</u>		
Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	
Governmental activities:				
Revenue bonds	Economic Development-Kemper Project	\$ 89,286	\$ 90,973	
Revenue bonds	TIF Bonds State Street (Daisy Lane Project)	1,630,000	268,009	
Revenue bonds	TIF Bonds State Street Parking Garage	1,505,000	199,950	
Revenue bonds	TIF Park East and Grant Line Series 2008	4,740,000	523,533	
Revenue bonds	TIF Bonds Series 2015A Coyle Property	1,000,000	40,787	
Revenue bonds	TIF Bonds Series 2015B Coyle Property	3,270,000	119,565	
Notes and loans payable	Firehouse Loan	4,302,165	416,022	
Notes and loans payable	Fire Ladder Truck Loan	962,871	172,669	
Total governmental activities		<u>17,499,322</u>	<u>1,831,508</u>	
Wastewater:				
Revenue bonds	Sewage Works Refunding Revenue Bonds of 2006	5,425,000	1,976,638	
Revenue bonds	Sewage Works Revenue Bonds of 2006 (SRF)	786,000	109,986	
Revenue bonds	Sewage Works Revenue Bonds of 2010 (SRF)	5,947,000	481,883	
Revenue bonds	Sewage Works Refunding Bonds Series 2012	5,320,000	369,050	
Revenue bonds	Sewage Works Revenue Bonds of 2014	26,537,000	2,471,390	
Total Wastewater		<u>44,015,000</u>	<u>5,408,947</u>	
Totals		<u>\$ 61,514,322</u>	<u>\$ 7,240,455</u>	

CITY OF NEW ALBANY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2015

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	\$ 207,581
Infrastructure	14,272,483
Buildings	535,339
Improvements other than buildings	18,277,894
Machinery, equipment, and vehicles	17,207,935
Construction in progress	<u>16,398</u>
Total governmental activities	<u>50,517,630</u>
Wastewater:	
Land	44,338
Infrastructure	3,735,325
Buildings	20,500
Improvements other than buildings	4,099,489
Machinery, equipment, and vehicles	<u>2,891,264</u>
Total Wastewater	<u>10,790,916</u>
Total capital assets	<u>\$ 61,308,546</u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
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Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

TO: THE OFFICIALS OF THE CITY OF NEW ALBANY, FLOYD COUNTY, INDIANA

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

We have audited the City of New Albany'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, 2015. 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, 2015.

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

**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 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 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 did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001 that we consider to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

December 21, 2016

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## 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 NEW ALBANY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2015

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	Pass-Through To Subrecipient	Total Federal Awards Expended
<b>Department of Commerce</b>					
Economic Development Cluster Economic Adjustment Assistance Grant Line Road West	Direct Grant	11.307	06-79-05510	\$ _____ -	\$ 215,470
Total - Economic Development Cluster				_____ -	215,470
Total - Department of Commerce				_____ -	215,470
<b>Department of Housing and Urban Development</b>					
Community Development Block Grants/Entitlement Grants FY13 FY14 FY15	Direct Grant	14.218	B-13-MC-180018 B-14-MC-180018 B-15 MC-180018	20,867 39,356 11,431	111,654 591,882 130,542
Total - Community Development Block Grants/Entitlement Grants				71,654	834,078
Total - Department of Housing and Urban Development				71,654	834,078
<b>Department of Justice</b>					
Equitable Sharing Program Federal Equitable Share	Direct Grant	16.922		_____ -	69,202
Total - Department of Justice				_____ -	69,202
<b>Department of Transportation</b>					
Highway Planning and Construction Cluster Highway Planning and Construction McDonald Lane Rehabilitation Reconstruction of Mt. Tabor Grant Line Bike/Ped Way Grant Line 111 South Spring St/Silver St Intersection Charlestow Rd/Beechwood Ave Intersection Comprehensive Transportation Safety Plan Sign Inventory Highway Plan & MUCTD Upgrade State St Traffic Signals	Indiana Department of Transportation	20.205	DES#0300779 DES#0710808 DES#0710810 DES#0901276 DES#1006046 DES#1006047 DES#1173185 DES#1173188 DES#800745	- - - - - - - - -	1,037,319 47,278 4,803 32,854 6,359 21,392 23,202 333 1,920
Total - Highway Planning and Construction Cluster				_____ -	1,175,460
Highway Safety Cluster State and Community Highway Safety Fiscal Year 2015	Indiana Criminal Justice Institute	20.600	D3-15-8960	_____ -	22,680
Total - Highway Safety Cluster				_____ -	22,680
Total - Department of Transportation				_____ -	1,198,140
<b>Environmental Protection Agency</b>					
Brownfields Assessment and Cleanup Cooperative Agreements Brownfield Assessment	Direct Grant	66.818	BF-00E00886	_____ -	123,911
Total - Environmental Protection Agency				_____ -	123,911
Total federal awards expended				\$ 71,654	\$ 2,440,801

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

CITY OF NEW ALBANY  
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, 2015. 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 minimus indirect cost rate allowed under the Uniform Guidance.

CITY OF NEW ALBANY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	yes
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
14.218	Economic Development Cluster	Unmodified
	Community Development Block Grants/Entitlement Grants	Unmodified

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

Auditee qualified as low-risk auditee? no

***Section II - Financial Statement Findings***

No matters are reportable.

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

***FINDING 2015-001 - 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): B-13-MC-180018, B-14-MC-180018,  
B-15-MC-180018

CITY OF NEW ALBANY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Condition*

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

*Context*

All reports had adequate controls except the performance report.

A proper system of oversight or review had not been established for performance report: HUD 6002 Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons. The Compliance Officer entered the information into the HUD system to generate the report, but there was no oversight to ensure the accuracy of the information entered.

*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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

*Cause*

Management had not developed a system of internal controls that allowed for proper oversight and review of required performance reports.

*Effect*

The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

CITY OF NEW ALBANY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that the City's management establish controls related to the grant agreement and compliance requirement pertaining to Reporting.

*Views of Responsible Officials*

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

#### AUDITEE-PREPARED DOCUMENTS

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



# City of New Albany

City Controller

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2014-001** Preparation of the Schedule of Expenditures of Federal Awards

Report Period: 1/1/2014 to 12/31/2014

Contact Person Responsible for Corrective Action: Linda Moeller

Contact Phone Number: 812-948-5333

Status of Audit Finding:

The Federal Award information is obtained and monitored from the departments by the Controller with supporting documentation of date submissions and ledgers. When the Federal Award or Grant is reported into Gateway the data is audited by an accountant in the Controller's Office and initiated prior to submission.

### **FINDING 2014-002** Internal Controls and Compliance Over Financial Transactions and Reporting

Report Period: 1/1/2014 to 12/31/2014

Contact Person Responsible for Corrective Action: Linda Moeller

Contact Phone Number: 812-948-5333

Status of Audit Finding:

Transactions of this nature have been channeled through the Controller's Office for review, wiring instructions and ledger entries.

### **FINDING 2014-003** Internal Controls Over Staffing For Adequate Fire and Emergency Response (SAFER)

Original Assigned SBA Audit Report Number: B46328

Report Period: 1/1/2014 to 12/31/2014

Pass-Through Entity or Federal Grantor Agency: Department of Homeland Security

Contact Person Responsible for Corrective Action: Linda Moeller

Contact Phone Number: 812-948-5333

Status of Audit Finding:

The last report was filed in March, 2014 and this Grant closed in April of 2015. The Controller's Office continues the dialogue with Fire Department concerning Internal Controls and monitors all aspects of Grant reporting.

**FINDING 2014-004 Reporting**

Original Assigned SBA Audit Report Number: B46328

Report Period: 1/1/2014 to 12/31/2014

Pass-Through Entity or Federal Grantor Agency: Department of Housing and Urban Development

Contact Person Responsible for Corrective Action: Linda Moeller

Contact Phone Number: 812-948-5333

**Status of Audit Finding:**

HUD did not send out any notice to their grantees regarding this new federal tracking system requirement and when we were made aware during the audit we made corrections on the three subgrants immediately. We continue to report all subgrants as required.

  
(Signature)

Controller  
(Title)

11/29/2016  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b).)



# New Albany Redevelopment Commission

DEPARTMENT OF REDEVELOPMENT  
Room 325, CITY-COUNTY BUILDING  
311 HAUSS SQUARE

NEW ALBANY, INDIANA 47150-3586

Phone: 1.812.948.5333

Fax: 1.812.948.6803

## CORRECTIVE ACTION PLAN

### **FINDING 2015-001** Reporting

Report Period: 1/1/2015 to 12/31/2015

Federal Grantor Agency: Department of Housing and Urban Development

Contact Person Responsible for Corrective Action: David Duggins

Contact Phone Number: 812-948-5333

### Description of Corrective Action Plan:

The data used in the reporting to HUD is from the Section 3 contracts which are verified and signed by myself, the Public Facilities Specialist and the contractor. The Section 3 report submitted to HUD in the future will be created in the HUD program by the Financial Compliance Manager. Once submitted it will be printed and figures reviewed for accuracy by the Public Facilities Specialist, initialed and maintained on file. This will verify that the figures reported to HUD match the contracts.

The HUD reports were submitted on time with no insufficiencies.

Anticipated Completion Date: December 2016

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(Signature)

A handwritten title in blue ink, appearing to read "Director of Redevelopment", followed by a horizontal line.

(Title)

A handwritten date in blue ink, appearing to read "December 19, 2016", followed by a horizontal line.

(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/>.