

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

FINANCIAL STATEMENTS EXAMINATION REPORT
OF
NEW ALBANY-FLOYD COUNTY BUILDING AUTHORITY
FLOYD COUNTY, INDIANA
January 1, 2011 to December 31, 2014



FILED
03/29/2016

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Report.....	3
Financial Statements and Accompanying Notes:	
Statements of Receipts, Disbursements, and Cash and Investment	
Balances - Regulatory Basis	6-7
Notes to Financial Statements.....	8-10
Other Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, and Cash and	
Investment Balances - Regulatory Basis	12-15
Other Reports.....	16

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Building Superintendent	William C. Embry	01-01-11 to 02-16-12
Building Coordinator	Sherri L. Baker	02-17-12 to 12-31-15
Treasurer	Myron E. Huth	01-01-11 to 12-31-15
President of the Board of Directors	Maggie Ridge	01-01-11 to 12-31-15



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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NEW ALBANY-FLOYD COUNTY
BUILDING AUTHORITY, FLOYD COUNTY, INDIANA

We have examined the accompanying financial statements of the New Albany-Floyd County Building Authority (Building Authority), for the period of January 1, 2011 to December 31, 2014. The financial statements are the responsibility of the Building Authority's management. Our responsibility is to express an opinion on the financial statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Building Authority prepares its financial statements 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 comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Building Authority for the period of January 1, 2011 to December 31, 2014.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Building Authority for the period of January 1, 2011 to December 31, 2014, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Building Authority's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

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

December 16, 2015

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FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the Building Authority. The financial statements and notes are presented as intended by the Building Authority.

NEW ALBANY-FLOYD COUNTY BUILDING AUTHORITY
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2011 and 2012

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Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
General Fund	\$ 122,957	\$ 998,488	\$ 963,836	\$ 157,609	\$ 1,106,289	\$ 1,144,029	\$ 119,869

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

NEW ALBANY-FLOYD COUNTY BUILDING AUTHORITY
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
General Fund	\$ 119,869	\$ 1,162,054	\$ 1,133,928	\$ 147,995	\$ 1,124,473	\$ 1,165,771	\$ 106,697

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

NEW ALBANY-FLOYD COUNTY BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Building Authority was established under the laws of the State of Indiana. The Building Authority operates under an appointed governing board.

The accompanying financial statements present the financial information for the Building Authority.

B. Basis of Accounting

The financial statements are 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 statements. The aggregate receipts include the following sources:

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.

Other receipts which include amounts received from various sources which can include, but are 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 statements. The aggregate disbursements include the following uses:

NEW ALBANY-FLOYD COUNTY BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Personal services 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: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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. Fund Accounting

Separate funds are established, maintained, and reported by the Building Authority. 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 Building Authority. 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 Building Authority 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 Building Authority submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law.

Note 3. 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 Building Authority to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

NEW ALBANY-FLOYD COUNTY BUILDING AUTHORITY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 4. Risk Management

The Building Authority 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 Building Authority to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

OTHER INFORMATION - UNAUDITED

The Building Authority's Annual 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 statements contained in this report and the financial information presented in the Annual Reports of the Building Authority which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

NEW ALBANY-FLOYD COUNTY BUILDING AUTHORITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011

	<u>General Fund</u>
Cash and investments - beginning	\$ <u>122,957</u>
Receipts:	
Charges for services	980,000
Other receipts	<u>18,488</u>
Total receipts	<u>998,488</u>
Disbursements:	
Personal services	341,976
Supplies	52,490
Other services and charges	<u>569,370</u>
Total disbursements	<u>963,836</u>
Excess of receipts over disbursements	<u>34,652</u>
Cash and investments - ending	<u><u>\$ 157,609</u></u>

NEW ALBANY-FLOYD COUNTY BUILDING AUTHORITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	<u>General Fund</u>
Cash and investments - beginning	\$ <u>157,609</u>
Receipts:	
Charges for services	1,100,000
Other receipts	<u>6,289</u>
Total receipts	<u>1,106,289</u>
Disbursements:	
Personal services	310,330
Supplies	42,543
Other services and charges	777,666
Other disbursements	<u>13,490</u>
Total disbursements	<u>1,144,029</u>
Deficiency of receipts over disbursements	<u>(37,740)</u>
Cash and investments - ending	<u><u>\$ 119,869</u></u>

NEW ALBANY-FLOYD COUNTY BUILDING AUTHORITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	<u>General Fund</u>
Cash and investments - beginning	\$ <u>119,869</u>
Receipts:	
Charges for services	1,121,750
Other receipts	<u>40,304</u>
Total receipts	<u>1,162,054</u>
Disbursements:	
Personal services	318,838
Supplies	45,774
Other services and charges	709,078
Other disbursements	<u>60,238</u>
Total disbursements	<u>1,133,928</u>
Excess of receipts over disbursements	<u>28,126</u>
Cash and investments - ending	<u><u>\$ 147,995</u></u>

NEW ALBANY-FLOYD COUNTY BUILDING AUTHORITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	<u>General Fund</u>
Cash and investments - beginning	\$ <u>147,995</u>
Receipts:	
Charges for services	1,121,750
Other receipts	<u>2,723</u>
Total receipts	<u>1,124,473</u>
Disbursements:	
Personal services	351,132
Supplies	40,077
Other services and charges	772,440
Other disbursements	<u>2,122</u>
Total disbursements	<u>1,165,771</u>
Deficiency of receipts over disbursements	<u>(41,298)</u>
Cash and investments - ending	<u><u>\$ 106,697</u></u>

OTHER REPORTS

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