

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

NEW ALBANY-FLOYD COUNTY
CONSOLIDATED SCHOOL CORPORATION
FLOYD COUNTY, INDIANA

July 1, 2014 to June 30, 2016



FILED
06/15/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Fred McWhorter II	07-01-14 to 07-31-17
	Dwight Beall (interim)	08-01-17 to 10-01-17
	Chris Street	10-02-17 to 06-30-18
Superintendent of Schools	Dr. Bruce A. Hibbard	07-01-14 to 06-30-17
	Dr. Bradley J. Snyder (interim)	07-01-17 to 01-28-17
	Dr. Bradley J. Snyder	01-29-18 to 12-31-20
President of the School Board	D. J. Hines	01-01-14 to 12-31-14
	Rebecca Gardenour	01-01-15 to 12-31-17
	Jenny Higbie	01-01-18 to 12-31-18



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NEW ALBANY-FLOYD COUNTY CONSOLIDATED
SCHOOL CORPORATION, FLOYD COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the New Albany-Floyd County Consolidated School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School Corporation'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 School Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

As discussed in Note 1 to the financial statement, the School Corporation 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 School Corporation for the period of July 1, 2014 to June 30, 2016.

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 School Corporation for the period of July 1, 2014 to June 30, 2016, 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 School Corporation's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, 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.

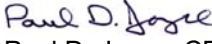
Other Information

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

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 May 23, 2018, on our consideration of the School Corporation'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 School Corporation'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 School Corporation's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

May 23, 2018



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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 NEW ALBANY-FLOYD COUNTY CONSOLIDATED
SCHOOL CORPORATION, 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 New Albany-Floyd County Consolidated School Corporation (School Corporation), which comprises the financial position and results of operations for the period of July 1, 2014 to June 30, 2016, and the related notes to the financial statement, and have issued our report thereon dated May 23, 2018, wherein we noted the School Corporation 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 School Corporation'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 internal control. Accordingly, we do not express an opinion on the effectiveness of the School Corporation's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School Corporation's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001 to be a material weakness.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the School Corporation's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001.

New Albany-Floyd County Consolidated School Corporation's Response to Findings

The School Corporation's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation'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 School Corporation'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 School Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

May 23, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
General	\$ 6,830,357	\$ 71,747,989	\$ 70,842,348	\$ 115,501	\$ 7,851,499	\$ 74,120,322	\$ 73,114,783	\$ 167,361	\$ 9,024,399
Debt Service	9,464,193	19,390,328	17,887,551	(92,239)	10,874,731	18,728,175	17,904,370	(207,474)	11,491,062
Capital Projects	2,697,200	11,941,618	10,166,783	5,368	4,477,403	11,434,701	11,523,143	-	4,388,961
School Transportation	1,352,084	6,279,045	6,019,142	29,151	1,641,138	6,143,585	6,153,925	21,140	1,651,938
School Bus Replacement	693,334	1,269,115	779,152	-	1,183,297	1,244,397	1,456,875	-	970,819
Rainy Day	5,372,550	-	250,000	-	5,122,550	815,791	-	-	5,938,341
Retirement/Severance Bond	2,955,022	-	-	(2,955,022)	-	-	-	-	-
Post-Retirement/Severance Future Benefits	2,607,098	-	804,815	2,955,023	4,757,306	-	1,387,266	-	3,370,040
2013 GO Bonds	387,379	1,250	262,321	-	126,308	-	126,308	-	-
2014 GO Bonds	5,873,113	-	3,871,456	-	2,001,657	-	1,968,122	-	33,535
School Lunch	1,883,765	5,850,574	5,512,075	22	2,222,286	5,906,252	6,235,279	17,598	1,910,857
Textbook Rental	2,069,347	1,871,672	1,127,713	92,287	2,905,593	2,011,262	2,944,680	207,566	2,179,741
Self-Insurance	-	252,000	-	-	252,000	-	-	-	252,000
Joint Services and Supply - Area Vocational School	849,076	4,924,647	4,650,456	(172,355)	950,912	5,002,713	5,166,107	156,622	944,140
Prosser Capital and Equipment	760,689	-	7,714	500,000	1,252,975	300,000	37,110	-	1,515,865
Alternative Education	7,144	9,441	-	-	16,585	11,537	11,815	-	16,307
Early Intervention Grant	785	7,712	8,497	-	-	4,000	2,031	-	1,969
Early Intervention / Slate Run	-	8,460	8,460	-	-	4,000	5,719	-	(1,719)
Early Intervention / Fairmont	-	8,460	8,460	-	-	4,000	3,368	-	632
Early Intervention / Grville	-	7,292	7,292	-	-	4,000	1,968	-	2,032
Early Intervention Guide	1,000	7,712	7,712	(1,000)	-	4,000	3,962	-	38
Early Intervention / Gr Valley	-	8,460	8,460	-	-	4,000	7,436	-	(3,436)
Early Intervention / FKE	-	7,964	7,964	-	-	4,000	2,050	-	1,950
Early Intervention / MT Tabor	-	8,460	8,460	-	-	4,000	4,667	-	(667)
Early Intervention / SEJ	-	8,460	7,351	-	1,109	4,000	6,034	-	(925)
Duke Energy's Remedial 2014/2015	-	13,278	-	-	13,278	3,000	15,713	-	565
Duke Energy's Remedial 2015/2016	-	-	-	-	-	17,000	-	-	17,000
WHAS Crusade For Children 2014	(34,423)	55,000	20,577	-	-	-	-	-	-
Blue Sky / Summer Camp Project	17,000	30,000	18,403	-	28,597	-	18,411	-	10,186
WHAS Crusade For Children 2015	-	60,767	60,767	-	-	9,233	9,233	-	-
WHAS Crusade For Children 2016	-	-	-	-	-	-	66,070	-	(66,070)
Foundation Executive Director	-	89,600	87,331	-	2,269	88,940	89,209	-	2,000
Blue Sky Foundation	4,394	-	4,394	-	-	-	-	-	-
Welfare Activities	926	-	-	-	926	-	-	-	926
Scholarships and Awards	61,916	93	-	-	62,009	93	500	-	61,602
Bulldog Scholar Awards	-	1,400	1,400	-	-	1,800	1,800	-	-
Early Intervention - Our Place	2,000	-	-	-	2,000	-	-	-	2,000
NA-FC Education Foundation	75,785	200	75,785	(200)	-	-	-	-	-
Local Grants	12,510	-	1,572	(10,938)	-	-	-	-	-
ATOD Grant / Prevention Education	750	-	-	(750)	-	-	-	-	-
Camp Kindergarten 2013/14	174	-	174	-	-	-	-	-	-
Indiana Governor's Council 2014	(1,603)	2,200	3,513	-	(2,916)	2,900	1,775	-	(1,791)
Camp Kindergarten 2014/15	5,000	-	4,524	-	476	-	476	-	-
Beginngergarten 2014 & 2015	15,000	-	15,000	-	-	16,558	16,558	-	-
Camp Kindergarten 2015/16	-	-	-	-	-	5,000	5,000	-	-
Horseshoe / Caesars	1,544	15,000	16,544	-	-	-	-	-	-
Horseshoe Grant 2014	-	19,125	7,918	-	11,207	8,207	17,926	-	1,488
2014 Education Foundation	846	34,166	34,140	(50)	822	-	822	-	-
2014 - Local Grants	-	17,700	17,035	10,431	11,096	-	10,590	-	506
2015 - Education Foundation	-	8,425	8,375	(50)	-	26,054	25,660	(140)	254
2015 - Local Grants	-	69,155	-	-	69,155	108,723	160,092	-	17,786
2016 - Education Foundation	-	-	-	-	-	1,946	1,724	-	222

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
OTHER FINANCING SOURCES (USES), AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended June 30, 2015 and 2016

Fund	Cash and Investments 07-01-14	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-15	Receipts	Disbursements	Other Financing Sources (Uses)	Cash and Investments 06-30-16
Brain Compatibility Training	1,637	-	-	(1,637)	-	-	-	-	-
High Ability 14/15	-	73,802	68,403	-	5,399	-	5,399	-	-
High Ability 15/16	-	-	-	-	-	72,954	72,954	-	-
CTE Innovative Grant	-	240,118	269,018	-	(28,900)	54,213	25,313	-	-
Adult and Continuing Education	121,031	8,340	44,311	-	85,060	12,300	35,371	-	61,989
Medicaid Reimbursement	-	111,607	-	(111,607)	-	132,754	-	(132,754)	-
Non-English Speaking FY 13-14	7,291	-	7,291	-	-	-	-	-	-
Non-English Speaking 14-15	-	21,162	18,345	-	2,817	-	2,817	-	-
Non-English Speaking 15-16	-	-	-	-	-	45,761	17,372	-	28,389
School Technology	146,003	64,816	189,101	-	21,718	76,364	35,646	-	62,436
~C/O Excellence / Performance	-	10,416	10,416	-	-	-	-	-	-
~C/O Performance Based Awards	-	449,894	449,894	-	-	-	-	-	-
~C/O Excellence Performance	-	-	-	-	-	20,984	20,984	-	-
Performance Based Award	-	16,019	-	-	16,019	424,831	440,850	-	-
Innovative School Improvement Grant	-	4,000	4,000	-	-	-	-	-	-
Senator David Ford Technology	-	712	1,136	-	(424)	5,555	5,131	-	-
Action Plan Implementation Grant	-	-	-	-	-	49,227	64,277	-	(15,050)
Title I FY 13-14	(222,245)	492,088	269,843	-	-	-	-	-	-
Title I 2014/15	-	1,680,518	1,861,650	-	(181,132)	482,387	301,255	-	-
Title I 2015/2016	-	-	-	-	-	1,679,127	1,845,352	-	(166,225)
Title I School Improvement 15/16	-	-	-	-	-	2,794	2,794	-	-
Special Education Part B, IDEA FY 13-14	(258,256)	654,761	396,505	-	-	-	-	-	-
Special ED 2014/15	-	2,110,178	2,340,352	-	(230,174)	611,795	381,621	-	-
Special ED Part B, 2015/2016	-	-	-	-	-	2,199,707	2,414,794	-	(215,087)
Special Education Technical Assistance	(4,500)	34,948	31,679	-	(1,231)	17,876	16,645	-	-
Preschool FY 13-14	(7,890)	28,177	20,287	-	-	-	-	-	-
Preschool 2014/2015	-	71,889	78,149	-	(6,260)	44,232	37,972	-	-
Preschool 2015/2016	-	-	-	-	-	84,165	94,523	-	(10,358)
Carl Perkins FY 13-14	(49,641)	166,225	116,584	-	-	-	-	-	-
Carl Perkins 2014/15	-	341,327	384,337	-	(43,010)	195,755	152,745	-	-
Carl Perkins 15/16	-	-	-	-	-	364,224	407,333	-	(43,109)
Medicaid Reimbursement - Federal	180,232	226,187	208,591	-	197,828	269,045	221,460	-	245,413
21st Century FY 13-14	(21,951)	33,324	11,373	-	-	-	-	-	-
21st Century FY 14-15	(8,638)	191,512	264,300	-	(81,426)	87,347	5,921	-	-
21st Century Grant 2015/16	-	-	5,611	-	(5,611)	209,419	236,031	-	(32,223)
PEP (YMCA) Grant	9,905	43,750	53,547	-	108	6,250	6,358	-	-
Improving Teacher Quality, No Child Left, Title II, Part A	-	283,531	319,115	-	(35,584)	157,110	121,526	-	-
Improving Teacher Quality 2015/16	-	-	-	-	-	288,660	317,327	-	(28,667)
Improving Teacher Quality FY 13-14	(50,582)	157,799	107,217	-	-	-	-	-	-
Title III Limited English FY 12-13	(2,624)	10,077	7,453	-	-	-	-	-	-
Title III Limited English FY 13-14	(6,171)	24,221	18,143	-	(93)	1,843	1,750	-	-
Title 3 WIDA Development	-	844	844	-	-	-	-	-	-
Title 3 Limited English 14/16	-	5,770	6,822	-	(1,052)	28,423	27,418	-	(47)
Title 3 Limited English 15-17	-	-	-	-	-	3,285	6,600	-	(3,315)
Prepaid Food	-	-	-	-	-	227,175	116,951	-	110,224
Payroll Withholdings	170,468	23,725,903	23,728,823	-	167,548	25,265,901	25,163,895	-	269,554
Totals	\$ 43,970,024	\$ 155,310,683	\$ 153,924,774	\$ 361,935	\$ 45,717,868	\$ 159,165,652	\$ 161,114,962	\$ 229,919	\$ 43,998,477

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

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, the following: school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The accompanying financial statement presents the financial information for the School Corporation.

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:

Local sources. Amounts received from taxes, revenue from local governmental units other than school corporations, transfer tuition, transportation fees, investment income, food services, School Corporation activities, revenue from community service activities, and other revenue from local sources.

Intermediate sources. Amounts received as distributions from the County for fees collected for or on behalf of the School Corporation including, but not limited to, the following: educational license plate fees, congressional interest, riverboat distributions, and other similar fees.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

State sources. Amounts received as distributions from the State of Indiana that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Federal sources. Amounts received as distributions from the federal government that are to be used by the School Corporation for various purposes, including, but not limited to, the following: unrestricted grants, restricted grants, revenue in lieu of taxes, and revenue for or on behalf of the School Corporation.

Other receipts. Amounts received from various sources, including, but not limited to, the following: return of petty cash, return of cash change, insurance claims for losses, sale of securities, and other receipts not listed in another category above.

E. Disbursements

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

Instruction. Amounts disbursed for regular programs, special programs, adult and continuing education programs, summer school programs, enrichment programs, remediation, and payments to other governmental units.

Support services. Amounts disbursed for support services related to students, instruction, general administration, school administration, outflows for central services, operation and maintenance of plant services, and student transportation.

Noninstructional services. Amounts disbursed for food service operations and community service operations.

Facilities acquisition and construction. Amounts disbursed for the acquisition, development, construction, and improvement of new and existing facilities.

Debt service. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the School Corporation, including: all expenditures for the reduction of the principal and interest of the School Corporation's general obligation indebtedness.

Nonprogrammed charges. Amounts disbursed for donations to foundations, securities purchased, indirect costs, scholarships, and self-insurance payments.

F. Other Financing Sources and Uses

Other financing sources and uses are presented in the aggregate on the face of the financial statement. The aggregate other financing sources and uses include the following:

Sale of capital assets. Amounts received when land, buildings, or equipment owned by the School Corporation are sold.

Transfers in. Amounts received by one fund as a result of transferring money from another fund. The transfers are used for cash flow purposes as provided by various statutory provisions.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Transfers out. Amounts paid by one fund to another fund. 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 School Corporation. 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 School Corporation. 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 School Corporation 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 School Corporation 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 School Corporation 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

State statutes authorize the School Corporation 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.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 5. Risk Management

The School Corporation 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 School Corporation 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 School Corporation 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

Funding Policy and Annual Pension Cost

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

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

B. Teachers' Retirement Fund

Plan Description

The Indiana Teachers' Retirement Fund (TRF) is a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and gives the School Corporation authority to contribute to the plan. The TRF 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 School Corporation may elect to make the contributions on behalf of the member.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the TRF 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) 286-3544

Funding Policy and Annual Pension Cost

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

C. Additional Pension Plans

The School Corporation also contributes to additional pension plans unique to the School Corporation. Information regarding these plans may be obtained from the School Corporation.

Note 7. Cash Balance Deficits

The financial statement contains funds with deficits in cash at June 30, 2015 and 2016. This is a result of the funds being set up for reimbursable grants. The cash deficits arose from disbursements exceeding receipts due to timing delays in reimbursements being received from the grantors. These deficits are to be repaid from future grant reimbursement receipts.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 8. *Holding Corporation*

The School Corporation has entered into a capital lease with the New Albany-Floyd County School Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessor has been determined to be a related-party of the School Corporation. Lease payments during the years ending June 30, 2015 and 2016, totaled \$15,843,000 and \$15,846,500, respectively.

Note 9. *Other Postemployment Benefits*

The School Corporation provides medical benefits to eligible retirees and their spouses. These benefits pose a liability to the School Corporation for this year and in future years. Information regarding the benefits can be obtained by contacting the School Corporation.

Note 10. *Subsequent Events*

The School Corporation entered into a lease agreement with the New Albany-Floyd County School Building Corporation (holding corporation). The debt is for \$84,630,000 for the purpose of new construction and renovations. As part of the lease agreement the holding corporation purchased the Prosser school building for \$14,114,000. Proceeds of the sale are being accounted in the records of the School Corporation and may only be spent to complete the project as described in the 1028/Preliminary Determination Resolutions and the Lease Execution Resolution adopted by the Board of School Trustees on June 13, 2016, and December 12, 2016, respectively. The lease was approved on December 12, 2016, and will be paid from July 15, 2017 to January 15, 2037.

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OTHER INFORMATION - UNAUDITED

The School Corporation's Financial Reports can be found on the Indiana Department of Education website: <http://www.doe.in.gov/finance/school-financial-reports>. This website is maintained by the Indiana Department of Education. More current financial information is available from the School Corporation Treasurer's office. Additionally, some financial information of the School Corporation 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 School Corporation's Financial Reports 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 School Corporation. It is presented as intended by the School Corporation.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2015

	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/Severance Bond	Post-Retirement/Severance Future Benefits	2013 GO Bonds
Cash and investments - beginning	\$ 6,830,357	\$ 9,464,193	\$ 2,697,200	\$ 1,352,084	\$ 693,334	\$ 5,372,550	\$ 2,955,022	\$ 2,607,098	\$ 387,379
Receipts:									
Local sources	781,299	19,390,328	11,941,618	6,279,045	1,269,115	-	-	-	1,250
Intermediate sources	1,000	-	-	-	-	-	-	-	-
State sources	70,964,301	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	1,389	-	-	-	-	-	-	-	-
Total receipts	<u>71,747,989</u>	<u>19,390,328</u>	<u>11,941,618</u>	<u>6,279,045</u>	<u>1,269,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,250</u>
Disbursements:									
Instruction	47,946,091	-	-	-	-	-	-	610,980	-
Support services	21,748,777	-	7,101,386	6,019,142	779,152	250,000	-	193,835	1,750
Noninstructional services	1,147,480	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	3,065,397	-	-	-	-	-	260,571
Debt service	-	17,887,551	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>70,842,348</u>	<u>17,887,551</u>	<u>10,166,783</u>	<u>6,019,142</u>	<u>779,152</u>	<u>250,000</u>	<u>-</u>	<u>804,815</u>	<u>262,321</u>
Excess (deficiency) of receipts over disbursements	<u>905,641</u>	<u>1,502,777</u>	<u>1,774,835</u>	<u>259,903</u>	<u>489,963</u>	<u>(250,000)</u>	<u>-</u>	<u>(804,815)</u>	<u>(261,071)</u>
Other financing sources (uses):									
Sale of capital assets	-	-	5,368	29,151	-	-	-	-	-
Transfers in	115,501	-	-	-	-	-	-	2,955,023	-
Transfers out	-	(92,239)	-	-	-	-	(2,955,022)	-	-
Total other financing sources (uses)	<u>115,501</u>	<u>(92,239)</u>	<u>5,368</u>	<u>29,151</u>	<u>-</u>	<u>-</u>	<u>(2,955,022)</u>	<u>2,955,023</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,021,142</u>	<u>1,410,538</u>	<u>1,780,203</u>	<u>289,054</u>	<u>489,963</u>	<u>(250,000)</u>	<u>(2,955,022)</u>	<u>2,150,208</u>	<u>(261,071)</u>
Cash and investments - ending	<u>\$ 7,851,499</u>	<u>\$ 10,874,731</u>	<u>\$ 4,477,403</u>	<u>\$ 1,641,138</u>	<u>\$ 1,183,297</u>	<u>\$ 5,122,550</u>	<u>\$ -</u>	<u>\$ 4,757,306</u>	<u>\$ 126,308</u>

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2015

	2014 GO Bonds	School Lunch	Textbook Rental	Self- Insurance	Joint Services and Supply - Area Vocational School	Prosser Capital and Equipment	Alternative Education	Early Intervention Grant	Early Intervention / Slate Run
Cash and investments - beginning	\$ 5,873,113	\$ 1,883,765	\$ 2,069,347	\$ -	\$ 849,076	\$ 760,689	\$ 7,144	\$ 785	\$ -
Receipts:									
Local sources	-	2,287,472	1,484,241	252,000	4,924,647	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	62,338	387,431	-	-	-	9,441	7,712	8,460
Federal sources	-	3,499,254	-	-	-	-	-	-	-
Other receipts	-	1,510	-	-	-	-	-	-	-
Total receipts	-	5,850,574	1,871,672	252,000	4,924,647	-	9,441	7,712	8,460
Disbursements:									
Instruction	-	-	-	-	3,345,025	-	-	8,497	8,460
Support services	912,706	28,625	1,127,713	-	1,280,431	-	-	-	-
Noninstructional services	-	5,483,450	-	-	-	-	-	-	-
Facilities acquisition and construction	2,958,750	-	-	-	-	7,714	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	25,000	-	-	-	-
Total disbursements	3,871,456	5,512,075	1,127,713	-	4,650,456	7,714	-	8,497	8,460
Excess (deficiency) of receipts over disbursements	(3,871,456)	338,499	743,959	252,000	274,191	(7,714)	9,441	(785)	-
Other financing sources (uses):									
Sale of capital assets	-	22	48	-	327,645	-	-	-	-
Transfers in	-	-	92,239	-	-	500,000	-	-	-
Transfers out	-	-	-	-	(500,000)	-	-	-	-
Total other financing sources (uses)	-	22	92,287	-	(172,355)	500,000	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,871,456)	338,521	836,246	252,000	101,836	492,286	9,441	(785)	-
Cash and investments - ending	\$ 2,001,657	\$ 2,222,286	\$ 2,905,593	\$ 252,000	\$ 950,912	\$ 1,252,975	\$ 16,585	\$ -	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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 For the Year Ended June 30, 2015

	Early Intervention / Fairmont	Early Intervention / Grville	Early Intervention Guide	Early Intervention / Gr Valley	Early Intervention / FKE	Early Intervention / MT Tabor	Early Intervention / SEJ	Duke Energy's Remedial 2014/2015	Duke Energy's Remedial 2015/2016
Cash and investments - beginning	\$ -	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	13,278	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	8,460	7,292	7,712	8,460	7,964	8,460	8,460	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	8,460	7,292	7,712	8,460	7,964	8,460	8,460	13,278	-
Disbursements:									
Instruction	8,460	7,292	7,712	8,460	7,964	8,460	7,351	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	8,460	7,292	7,712	8,460	7,964	8,460	7,351	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	1,109	13,278	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(1,000)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(1,000)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(1,000)	-	-	-	1,109	13,278	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,109	\$ 13,278	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	WHAS Crusade For Children 2014	Blue Sky / Summer Camp Project	WHAS Crusade For Children 2015	WHAS Crusade For Children 2016	Foundation Executive Director	Blue Sky Foundation	Welfare Activities	Scholarships and Awards	Bulldog Scholar Awards
Cash and investments - beginning	\$ (34,423)	\$ 17,000	\$ -	\$ -	\$ -	\$ 4,394	\$ 926	\$ 61,916	\$ -
Receipts:									
Local sources	-	30,000	-	-	89,600	-	-	93	1,400
Intermediate sources	55,000	-	60,767	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	55,000	30,000	60,767	-	89,600	-	-	93	1,400
Disbursements:									
Instruction	20,577	18,403	60,767	-	-	4,394	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	87,331	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	1,400
Total disbursements	20,577	18,403	60,767	-	87,331	4,394	-	-	1,400
Excess (deficiency) of receipts over disbursements	34,423	11,597	-	-	2,269	(4,394)	-	93	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	34,423	11,597	-	-	2,269	(4,394)	-	93	-
Cash and investments - ending	\$ -	\$ 28,597	\$ -	\$ -	\$ 2,269	\$ -	\$ 926	\$ 62,009	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
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	Early Intervention - Our Place	NA-FC Education Foundation	Local Grants	ATOD Grant / Prevention Education	Camp Kindergarten 2013/14	Indiana Governor's Council 2014	Camp Kindergarten 2014/15	Begindergarten 2014 & 2015	Camp Kindergarten 2015/16
Cash and investments - beginning	\$ 2,000	\$ 75,785	\$ 12,510	\$ 750	\$ 174	\$ (1,603)	\$ 5,000	\$ 15,000	\$ -
Receipts:									
Local sources	-	200	-	-	-	2,200	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	200	-	-	-	2,200	-	-	-
Disbursements:									
Instruction	-	75,785	1,572	-	174	3,513	4,524	12,039	-
Support services	-	-	-	-	-	-	-	1,252	-
Noninstructional services	-	-	-	-	-	-	-	1,709	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	75,785	1,572	-	174	3,513	4,524	15,000	-
Excess (deficiency) of receipts over disbursements	-	(75,585)	(1,572)	-	(174)	(1,313)	(4,524)	(15,000)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(200)	(10,938)	(750)	-	-	-	-	-
Total other financing sources (uses)	-	(200)	(10,938)	(750)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(75,785)	(12,510)	(750)	(174)	(1,313)	(4,524)	(15,000)	-
Cash and investments - ending	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ (2,916)	\$ 476	\$ -	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
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	Horseshoe / Caesars	Horseshoe Grant 2014	2014 Education Foundation	2014 - Local Grants	2015 - Education Foundation	2015 - Local Grants	2016 - Education Foundation	Brain Compatibility Training	High Ability 14/15
Cash and investments - beginning	\$ 1,544	\$ -	\$ 846	\$ -	\$ -	\$ -	\$ -	\$ 1,637	\$ -
Receipts:									
Local sources	15,000	19,125	34,166	17,700	8,425	69,155	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	73,802
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	<u>15,000</u>	<u>19,125</u>	<u>34,166</u>	<u>17,700</u>	<u>8,425</u>	<u>69,155</u>	<u>-</u>	<u>-</u>	<u>73,802</u>
Disbursements:									
Instruction	16,544	7,918	34,140	17,035	8,375	-	-	-	68,403
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>16,544</u>	<u>7,918</u>	<u>34,140</u>	<u>17,035</u>	<u>8,375</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,403</u>
Excess (deficiency) of receipts over disbursements	<u>(1,544)</u>	<u>11,207</u>	<u>26</u>	<u>665</u>	<u>50</u>	<u>69,155</u>	<u>-</u>	<u>-</u>	<u>5,399</u>
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	10,431	-	-	-	-	-
Transfers out	-	-	(50)	-	(50)	-	-	(1,637)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(50)</u>	<u>10,431</u>	<u>(50)</u>	<u>-</u>	<u>-</u>	<u>(1,637)</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,544)</u>	<u>11,207</u>	<u>(24)</u>	<u>11,096</u>	<u>-</u>	<u>69,155</u>	<u>-</u>	<u>(1,637)</u>	<u>5,399</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 11,207</u>	<u>\$ 822</u>	<u>\$ 11,096</u>	<u>\$ -</u>	<u>\$ 69,155</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,399</u>

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
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	High Ability 15/16	CTE Innovative Grant	Adult and Continuing Education	Medicaid Reimbursement	Non-English Speaking FY 13-14	Non-English Speaking 14-15	Non-English Speaking 15-16	School Technology	~C/O Excellence / Performance
Cash and investments - beginning	\$ -	\$ -	\$ 121,031	\$ -	\$ 7,291	\$ -	\$ -	\$ 146,003	\$ -
Receipts:									
Local sources	-	-	8,340	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	64,816	-
State sources	-	240,118	-	111,607	-	21,162	-	-	10,416
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	240,118	8,340	111,607	-	21,162	-	64,816	10,416
Disbursements:									
Instruction	-	269,018	44,311	-	7,291	18,345	-	-	10,416
Support services	-	-	-	-	-	-	-	32,940	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	156,161	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	269,018	44,311	-	7,291	18,345	-	189,101	10,416
Excess (deficiency) of receipts over disbursements	-	(28,900)	(35,971)	111,607	(7,291)	2,817	-	(124,285)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(111,607)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(111,607)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(28,900)	(35,971)	-	(7,291)	2,817	-	(124,285)	-
Cash and investments - ending	\$ -	\$ (28,900)	\$ 85,060	\$ -	\$ -	\$ 2,817	\$ -	\$ 21,718	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
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	~C/O Performance Based Awards	~C/O Excellence Performance	Performance Based Award	Innovative School Improvement Grant	Senator David Ford Technology	Action Plan Implementation Grant	Title I FY 13-14	Title I 2014/15	Title I 2015/2016
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (222,245)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	449,894	-	16,019	4,000	712	-	-	-	-
Federal sources	-	-	-	-	-	-	492,088	1,680,518	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	449,894	-	16,019	4,000	712	-	492,088	1,680,518	-
Disbursements:									
Instruction	449,894	-	-	4,000	1,136	-	115,694	939,605	-
Support services	-	-	-	-	-	-	149,969	896,636	-
Noninstructional services	-	-	-	-	-	-	4,180	25,409	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	449,894	-	-	4,000	1,136	-	269,843	1,861,650	-
Excess (deficiency) of receipts over disbursements	-	-	16,019	-	(424)	-	222,245	(181,132)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	16,019	-	(424)	-	222,245	(181,132)	-
Cash and investments - ending	\$ -	\$ -	\$ 16,019	\$ -	\$ (424)	\$ -	\$ -	\$ (181,132)	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
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	Title I School Improvement 15/16	Special Education Part B, IDEA FY 13-14	Special ED 2014/15	Special ED Part B, 2015/2016	Special Education Technical Assistance	Preschool FY 13-14	Preschool 2014/2015	Preschool 2015/2016	Carl Perkins FY 13-14
Cash and investments - beginning	\$ -	\$ (258,256)	\$ -	\$ -	\$ (4,500)	\$ (7,890)	\$ -	\$ -	\$ (49,641)
Receipts:									
Local sources	-	(187)	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	654,948	2,110,178	-	34,948	28,177	71,889	-	166,225
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	654,761	2,110,178	-	34,948	28,177	71,889	-	166,225
Disbursements:									
Instruction	-	309,106	1,620,238	-	31,679	20,287	78,149	-	116,584
Support services	-	78,758	707,763	-	-	-	-	-	-
Noninstructional services	-	8,641	12,351	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	396,505	2,340,352	-	31,679	20,287	78,149	-	116,584
Excess (deficiency) of receipts over disbursements	-	258,256	(230,174)	-	3,269	7,890	(6,260)	-	49,641
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	258,256	(230,174)	-	3,269	7,890	(6,260)	-	49,641
Cash and investments - ending	\$ -	\$ -	\$ (230,174)	\$ -	\$ (1,231)	\$ -	\$ (6,260)	\$ -	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
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	Carl Perkins 2014/15	Carl Perkins 15/16	Medicaid Reimbursement - Federal	21st Century FY 13-14	21st Century FY 14-15	21st Century Grant 2015/16	PEP (YMCA) Grant	Improving Teacher Quality, No Child Left, Title II, Part A	Improving Teacher Quality 2015/16
Cash and investments - beginning	\$ -	\$ -	\$ 180,232	\$ (21,951)	\$ (8,638)	\$ -	\$ 9,905	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	540	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	341,327	-	226,187	33,324	191,512	-	43,750	282,991	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	341,327	-	226,187	33,324	191,512	-	43,750	283,531	-
Disbursements:									
Instruction	384,337	-	-	-	-	-	53,547	308,290	-
Support services	-	-	208,591	-	6,060	-	-	10,825	-
Noninstructional services	-	-	-	11,373	258,240	5,611	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	384,337	-	208,591	11,373	264,300	5,611	53,547	319,115	-
Excess (deficiency) of receipts over disbursements	(43,010)	-	17,596	21,951	(72,788)	(5,611)	(9,797)	(35,584)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(43,010)	-	17,596	21,951	(72,788)	(5,611)	(9,797)	(35,584)	-
Cash and investments - ending	\$ (43,010)	\$ -	\$ 197,828	\$ -	\$ (81,426)	\$ (5,611)	\$ 108	\$ (35,584)	\$ -

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	Improving Teacher Quality FY 13-14	Title III Limited English FY 12-13	Title III Limited English FY 13-14	Title 3 WIDA Development	Title 3 Limited English 14/16	Title 3 Limited English 15-17	Prepaid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ (50,582)	\$ (2,624)	\$ (6,171)	\$ -	\$ -	\$ -	\$ -	\$ 170,468	\$ 43,970,024
Receipts:									
Local sources	-	-	-	-	-	-	-	-	48,920,050
Intermediate sources	-	-	-	-	-	-	-	-	181,583
State sources	-	-	-	-	-	-	-	-	72,424,221
Federal sources	157,799	10,077	24,221	844	5,770	-	-	-	10,056,027
Other receipts	-	-	-	-	-	-	-	23,725,903	23,728,802
Total receipts	157,799	10,077	24,221	844	5,770	-	-	23,725,903	155,310,683
Disbursements:									
Instruction	68,587	-	-	-	-	-	-	-	57,179,429
Support services	30,986	7,039	18,143	844	6,822	-	-	-	41,600,145
Noninstructional services	-	-	-	-	-	-	-	-	7,045,775
Facilities acquisition and construction	-	-	-	-	-	-	-	-	6,448,593
Debt service	-	-	-	-	-	-	-	-	17,887,551
Nonprogrammed charges	7,644	414	-	-	-	-	-	23,728,823	23,763,281
Total disbursements	107,217	7,453	18,143	844	6,822	-	-	23,728,823	153,924,774
Excess (deficiency) of receipts over disbursements	50,582	2,624	6,078	-	(1,052)	-	-	(2,920)	1,385,909
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	362,234
Transfers in	-	-	-	-	-	-	-	-	3,673,194
Transfers out	-	-	-	-	-	-	-	-	(3,673,493)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	361,935
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	50,582	2,624	6,078	-	(1,052)	-	-	(2,920)	1,747,844
Cash and investments - ending	\$ -	\$ -	\$ (93)	\$ -	\$ (1,052)	\$ -	\$ -	\$ 167,548	\$ 45,717,868

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	General	Debt Service	Capital Projects	School Transportation	School Bus Replacement	Rainy Day	Retirement/Severance Bond	Post-Retirement/Severance Future Benefits	2013 GO Bonds
Cash and investments - beginning	\$ 7,851,499	\$ 10,874,731	\$ 4,477,403	\$ 1,641,138	\$ 1,183,297	\$ 5,122,550	\$ -	\$ 4,757,306	\$ 126,308
Receipts:									
Local sources	1,070,634	18,728,175	11,222,926	6,129,608	1,244,397	815,791	-	-	-
Intermediate sources	1,000	-	-	-	-	-	-	-	-
State sources	73,048,688	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	211,775	13,977	-	-	-	-	-
Total receipts	<u>74,120,322</u>	<u>18,728,175</u>	<u>11,434,701</u>	<u>6,143,585</u>	<u>1,244,397</u>	<u>815,791</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:									
Instruction	49,772,360	-	-	-	-	-	-	1,068,541	-
Support services	22,203,728	-	7,419,635	6,153,925	1,456,875	-	-	318,725	-
Noninstructional services	1,138,695	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	4,103,508	-	-	-	-	-	126,308
Debt service	-	17,904,370	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	<u>73,114,783</u>	<u>17,904,370</u>	<u>11,523,143</u>	<u>6,153,925</u>	<u>1,456,875</u>	<u>-</u>	<u>-</u>	<u>1,387,266</u>	<u>126,308</u>
Excess (deficiency) of receipts over disbursements	<u>1,005,539</u>	<u>823,805</u>	<u>(88,442)</u>	<u>(10,340)</u>	<u>(212,478)</u>	<u>815,791</u>	<u>-</u>	<u>(1,387,266)</u>	<u>(126,308)</u>
Other financing sources (uses):									
Sale of capital assets	34,607	-	-	21,140	-	-	-	-	-
Transfers in	132,754	-	-	-	-	-	-	-	-
Transfers out	-	(207,474)	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>167,361</u>	<u>(207,474)</u>	<u>-</u>	<u>21,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>1,172,900</u>	<u>616,331</u>	<u>(88,442)</u>	<u>10,800</u>	<u>(212,478)</u>	<u>815,791</u>	<u>-</u>	<u>(1,387,266)</u>	<u>(126,308)</u>
Cash and investments - ending	<u>\$ 9,024,399</u>	<u>\$ 11,491,062</u>	<u>\$ 4,388,961</u>	<u>\$ 1,651,938</u>	<u>\$ 970,819</u>	<u>\$ 5,938,341</u>	<u>\$ -</u>	<u>\$ 3,370,040</u>	<u>\$ -</u>

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	2014 GO Bonds	School Lunch	Textbook Rental	Self- Insurance	Joint Services and Supply - Area Vocational School	Prosser Capital and Equipment	Alternative Education	Early Intervention Grant	Early Intervention / Slate Run
Cash and investments - beginning	\$ 2,001,657	\$ 2,222,286	\$ 2,905,593	\$ 252,000	\$ 950,912	\$ 1,252,975	\$ 16,585	\$ -	\$ -
Receipts:									
Local sources	-	2,579,358	1,632,908	-	5,002,713	300,000	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	61,702	378,354	-	-	-	11,537	4,000	4,000
Federal sources	-	3,263,682	-	-	-	-	-	-	-
Other receipts	-	1,510	-	-	-	-	-	-	-
Total receipts	-	5,906,252	2,011,262	-	5,002,713	300,000	11,537	4,000	4,000
Disbursements:									
Instruction	-	-	-	-	3,346,595	-	11,815	2,031	5,719
Support services	33,448	360,993	2,688,871	-	1,794,512	-	-	-	-
Noninstructional services	-	5,624,286	-	-	-	-	-	-	-
Facilities acquisition and construction	1,934,674	-	-	-	-	37,110	-	-	-
Debt service	-	-	255,809	-	-	-	-	-	-
Nonprogrammed charges	-	250,000	-	-	25,000	-	-	-	-
Total disbursements	1,968,122	6,235,279	2,944,680	-	5,166,107	37,110	11,815	2,031	5,719
Excess (deficiency) of receipts over disbursements	(1,968,122)	(329,027)	(933,418)	-	(163,394)	262,890	(278)	1,969	(1,719)
Other financing sources (uses):									
Sale of capital assets	-	17,598	91	-	156,622	-	-	-	-
Transfers in	-	-	207,475	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	17,598	207,566	-	156,622	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,968,122)	(311,429)	(725,852)	-	(6,772)	262,890	(278)	1,969	(1,719)
Cash and investments - ending	\$ 33,535	\$ 1,910,857	\$ 2,179,741	\$ 252,000	\$ 944,140	\$ 1,515,865	\$ 16,307	\$ 1,969	\$ (1,719)

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	Early Intervention / Fairmont	Early Intervention / Grville	Early Intervention Guide	Early Intervention / Gr Valley	Early Intervention / FKE	Early Intervention / MT Tabor	Early Intervention / SEJ	Duke Energy's Remedial 2014/2015	Duke Energy's Remedial 2015/2016
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,109	\$ 13,278	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	3,000	17,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	4,000	4,000	4,000	4,000	4,000	4,000	4,000	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	4,000	4,000	4,000	4,000	4,000	4,000	4,000	3,000	17,000
Disbursements:									
Instruction	3,368	1,968	3,962	7,436	2,050	4,667	6,034	15,713	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	3,368	1,968	3,962	7,436	2,050	4,667	6,034	15,713	-
Excess (deficiency) of receipts over disbursements	632	2,032	38	(3,436)	1,950	(667)	(2,034)	(12,713)	17,000
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	632	2,032	38	(3,436)	1,950	(667)	(2,034)	(12,713)	17,000
Cash and investments - ending	\$ 632	\$ 2,032	\$ 38	\$ (3,436)	\$ 1,950	\$ (667)	\$ (925)	\$ 565	\$ 17,000

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	WHAS Crusade For Children 2014	Blue Sky / Summer Camp Project	WHAS Crusade For Children 2015	WHAS Crusade For Children 2016	Foundation Executive Director	Blue Sky Foundation	Welfare Activities	Scholarships and Awards	Bulldog Scholar Awards
Cash and investments - beginning	\$ -	\$ 28,597	\$ -	\$ -	\$ 2,269	\$ -	\$ 926	\$ 62,009	\$ -
Receipts:									
Local sources	-	-	-	-	88,940	-	-	93	1,800
Intermediate sources	-	-	9,233	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	9,233	-	88,940	-	-	93	1,800
Disbursements:									
Instruction	-	18,411	9,233	66,070	-	-	-	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	89,209	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	500	1,800
Total disbursements	-	18,411	9,233	66,070	89,209	-	-	500	1,800
Excess (deficiency) of receipts over disbursements	-	(18,411)	-	(66,070)	(269)	-	-	(407)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(18,411)	-	(66,070)	(269)	-	-	(407)	-
Cash and investments - ending	\$ -	\$ 10,186	\$ -	\$ (66,070)	\$ 2,000	\$ -	\$ 926	\$ 61,602	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Early Intervention - Our Place	NA-FC Education Foundation	Local Grants	ATOD Grant / Prevention Education	Camp Kindergarten 2013/14	Indiana Governor's Council 2014	Camp Kindergarten 2014/15	Begindergarten 2014 & 2015	Camp Kindergarten 2015/16
Cash and investments - beginning	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ (2,916)	\$ 476	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	2,900	-	16,558	5,000
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	-	-	-	-	2,900	-	16,558	5,000
Disbursements:									
Instruction	-	-	-	-	-	1,775	476	15,591	5,000
Support services	-	-	-	-	-	-	-	967	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	1,775	476	16,558	5,000
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	1,125	(476)	-	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	-	1,125	(476)	-	-
Cash and investments - ending	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ (1,791)	\$ -	\$ -	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Horseshoe / Caesars	Horseshoe Grant 2014	2014 Education Foundation	2014 - Local Grants	2015 - Education Foundation	2015 - Local Grants	2016 - Education Foundation	Brain Compatibility Training	High Ability 14/15
Cash and investments - beginning	\$ -	\$ 11,207	\$ 822	\$ 11,096	\$ -	\$ 69,155	\$ -	\$ -	\$ 5,399
Receipts:									
Local sources	-	8,207	-	-	26,054	108,723	1,946	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	8,207	-	-	26,054	108,723	1,946	-	-
Disbursements:									
Instruction	-	17,926	822	10,590	25,660	160,018	1,724	-	-
Support services	-	-	-	-	-	-	-	-	5,399
Noninstructional services	-	-	-	-	-	74	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	-	17,926	822	10,590	25,660	160,092	1,724	-	5,399
Excess (deficiency) of receipts over disbursements	-	(9,719)	(822)	(10,590)	394	(51,369)	222	-	(5,399)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(140)	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(140)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(9,719)	(822)	(10,590)	254	(51,369)	222	-	(5,399)
Cash and investments - ending	\$ -	\$ 1,488	\$ -	\$ 506	\$ 254	\$ 17,786	\$ 222	\$ -	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	High Ability 15/16	CTE Innovative Grant	Adult and Continuing Education	Medicaid Reimbursement	Non-English Speaking FY 13-14	Non-English Speaking 14-15	Non-English Speaking 15-16	School Technology	~C/O Excellence / Performance
Cash and investments - beginning	\$ -	\$ (28,900)	\$ 85,060	\$ -	\$ -	\$ 2,817	\$ -	\$ 21,718	\$ -
Receipts:									
Local sources	-	-	12,300	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	76,364	-
State sources	72,954	54,213	-	132,754	-	-	45,761	-	-
Federal sources	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	72,954	54,213	12,300	132,754	-	-	45,761	76,364	-
Disbursements:									
Instruction	72,954	13,979	35,371	-	-	2,817	17,372	-	-
Support services	-	-	-	-	-	-	-	-	-
Noninstructional services	-	-	-	-	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	35,646	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	11,334	-	-	-	-	-	-	-
Total disbursements	72,954	25,313	35,371	-	-	2,817	17,372	35,646	-
Excess (deficiency) of receipts over disbursements	-	28,900	(23,071)	132,754	-	(2,817)	28,389	40,718	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(132,754)	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(132,754)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	28,900	(23,071)	-	-	(2,817)	28,389	40,718	-
Cash and investments - ending	\$ -	\$ -	\$ 61,989	\$ -	\$ -	\$ -	\$ 28,389	\$ 62,436	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	~C/O Performance Based Awards	~C/O Excellence Performance	Performance Based Award	Innovative School Improvement Grant	Senator David Ford Technology	Action Plan Implementation Grant	Title I FY 13-14	Title I 2014/15	Title I 2015/2016
Cash and investments - beginning	\$ -	\$ -	\$ 16,019	\$ -	\$ (424)	\$ -	\$ -	\$ (181,132)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	20,984	424,831	-	5,555	49,227	-	-	-
Federal sources	-	-	-	-	-	-	-	482,387	1,679,127
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	-	20,984	424,831	-	5,555	49,227	-	482,387	1,679,127
Disbursements:									
Instruction	-	20,984	440,850	-	5,131	63,137	-	125,147	909,602
Support services	-	-	-	-	-	-	-	137,240	880,846
Noninstructional services	-	-	-	-	-	-	-	3,868	25,504
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	1,140	-	35,000	29,400
Total disbursements	-	20,984	440,850	-	5,131	64,277	-	301,255	1,845,352
Excess (deficiency) of receipts over disbursements	-	-	(16,019)	-	424	(15,050)	-	181,132	(166,225)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(16,019)	-	424	(15,050)	-	181,132	(166,225)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,050)	\$ -	\$ -	\$ (166,225)

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Title I School Improvement 15/16	Special Education Part B, IDEA FY 13-14	Special ED 2014/15	Special ED Part B, 2015/2016	Special Education Technical Assistance	Preschool FY 13-14	Preschool 2014/2015	Preschool 2015/2016	Carl Perkins FY 13-14
Cash and investments - beginning	\$ -	\$ -	\$ (230,174)	\$ -	\$ (1,231)	\$ -	\$ (6,260)	\$ -	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	2,794	-	611,795	2,199,707	17,876	-	44,232	84,165	-
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	2,794	-	611,795	2,199,707	17,876	-	44,232	84,165	-
Disbursements:									
Instruction	1,294	-	284,497	1,660,724	16,645	-	37,972	94,523	-
Support services	1,500	-	97,124	735,764	-	-	-	-	-
Noninstructional services	-	-	-	18,306	-	-	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	-	-
Total disbursements	2,794	-	381,621	2,414,794	16,645	-	37,972	94,523	-
Excess (deficiency) of receipts over disbursements	-	-	230,174	(215,087)	1,231	-	6,260	(10,358)	-
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	230,174	(215,087)	1,231	-	6,260	(10,358)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (215,087)	\$ -	\$ -	\$ -	\$ (10,358)	\$ -

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Carl Perkins 2014/15	Carl Perkins 15/16	Medicaid Reimbursement - Federal	21st Century FY 13-14	21st Century FY 14-15	21st Century Grant 2015/16	PEP (YMCA) Grant	Improving Teacher Quality, No Child Left, Title II, Part A	Improving Teacher Quality 2015/16
Cash and investments - beginning	\$ (43,010)	\$ -	\$ 197,828	\$ -	\$ (81,426)	\$ (5,611)	\$ 108	\$ (35,584)	\$ -
Receipts:									
Local sources	-	-	-	-	-	-	-	-	-
Intermediate sources	-	-	-	-	-	-	-	-	-
State sources	-	-	-	-	-	-	-	-	-
Federal sources	195,755	364,224	269,045	-	87,347	209,419	6,250	157,110	288,660
Other receipts	-	-	-	-	-	-	-	-	-
Total receipts	195,755	364,224	269,045	-	87,347	209,419	6,250	157,110	288,660
Disbursements:									
Instruction	152,745	335,409	-	-	-	-	6,358	84,504	289,653
Support services	-	71,924	221,460	-	283	4,433	-	28,715	18,820
Noninstructional services	-	-	-	-	5,638	231,598	-	-	-
Facilities acquisition and construction	-	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Nonprogrammed charges	-	-	-	-	-	-	-	8,307	8,854
Total disbursements	152,745	407,333	221,460	-	5,921	236,031	6,358	121,526	317,327
Excess (deficiency) of receipts over disbursements	43,010	(43,109)	47,585	-	81,426	(26,612)	(108)	35,584	(28,667)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	43,010	(43,109)	47,585	-	81,426	(26,612)	(108)	35,584	(28,667)
Cash and investments - ending	\$ -	\$ (43,109)	\$ 245,413	\$ -	\$ -	\$ (32,223)	\$ -	\$ -	\$ (28,667)

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 OTHER FINANCING SOURCES (USES), AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended June 30, 2016

	Improving Teacher Quality FY 13-14	Title III Limited English FY 12-13	Title III Limited English FY 13-14	Title 3 WIDA Development	Title 3 Limited English 14/16	Title 3 Limited English 15-17	Prepaid Food	Payroll Withholdings	Totals
Cash and investments - beginning	\$ -	\$ -	\$ (93)	\$ -	\$ (1,052)	\$ -	\$ -	\$ 167,548	\$ 45,717,868
Receipts:									
Local sources	-	-	-	-	-	-	-	-	49,019,031
Intermediate sources	-	-	-	-	-	-	-	-	86,597
State sources	-	-	-	-	-	-	-	-	74,342,560
Federal sources	-	-	1,843	-	28,423	3,285	-	-	9,997,126
Other receipts	-	-	-	-	-	-	227,175	25,265,901	25,720,338
Total receipts	-	-	1,843	-	28,423	3,285	227,175	25,265,901	159,165,652
Disbursements:									
Instruction	-	-	-	-	-	-	-	-	59,257,223
Support services	-	-	1,078	-	26,678	5,726	-	-	44,668,669
Noninstructional services	-	-	-	-	-	-	-	-	7,137,178
Facilities acquisition and construction	-	-	-	-	-	-	-	-	6,237,246
Debt service	-	-	-	-	-	-	-	-	18,160,179
Nonprogrammed charges	-	-	672	-	740	874	116,951	25,163,895	25,654,467
Total disbursements	-	-	1,750	-	27,418	6,600	116,951	25,163,895	161,114,962
Excess (deficiency) of receipts over disbursements	-	-	93	-	1,005	(3,315)	110,224	102,006	(1,949,310)
Other financing sources (uses):									
Sale of capital assets	-	-	-	-	-	-	-	-	230,058
Transfers in	-	-	-	-	-	-	-	-	340,229
Transfers out	-	-	-	-	-	-	-	-	(340,368)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	229,919
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	93	-	1,005	(3,315)	110,224	102,006	(1,719,391)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (47)	\$ (3,315)	\$ 110,224	\$ 269,554	\$ 43,998,477

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF PAYABLES AND RECEIVABLES
June 30, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 1,718,690</u>	<u>\$ 61,463</u>

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 SCHEDULE OF LEASES AND DEBT
 June 30, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Apple Inc.	Equipment Lease	\$ 128,210	11/23/15	01/18/19
Apple Inc.	Equipment Lease	127,598	06/05/15	07/15/18
New Albany-Floyd County School Building Corporation	Phase II Middle Schools	5,716,000	05/26/05	01/15/27
New Albany-Floyd County School Building Corporation	Phase III FCHS	5,046,500	11/08/07	07/15/28
New Albany-Floyd County School Building Corporation	Phase I NAHS	<u>5,082,000</u>	12/28/04	12/31/17
Total of annual lease payments		<u>\$ 16,100,308</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	2014 GO Bonds		<u>\$ 3,030,000</u>	<u>\$ 2,063,038</u>

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NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 SCHEDULE OF CAPITAL ASSETS
 June 30, 2016

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 6,498,794
Buildings	362,938,092
Improvements other than buildings	17,932,398
Machinery, equipment, and vehicles	25,233,433
Construction in progress	<u>274,047</u>
Total governmental activities	<u>412,876,764</u>
Total capital assets	<u>\$ 412,876,764</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE NEW ALBANY-FLOYD COUNTY CONSOLIDATED
SCHOOL CORPORATION, FLOYD COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the New Albany-Floyd County Consolidated School Corporation's (School Corporation) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the period of July 1, 2014 to June 30, 2016. The School Corporation'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the School Corporation'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 School Corporation'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 School Corporation's compliance.

Basis for Qualified Opinion on Improving Teacher Quality State Grants

As described in item 2016-010 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding Period of Performance that are applicable to its Improving Teacher Quality State Grants. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

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

Qualified Opinion on Improving Teacher Quality State Grants

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Improving Teacher Quality State Grants* paragraph, the School Corporation complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Improving Teacher Quality State Grants for the period of July 1, 2014 to June 30, 2016.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the School Corporation 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 other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the period of July 1, 2014 to June 30, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2016-002, 2016-003, 2016-005, 2016-006, 2016-007, 2016-009, and 2016-011. Our opinion on each major federal program is not modified with respect to these matters.

The School Corporation's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation'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 School Corporation 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 School Corporation'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 OMB Circular A-133, 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 School Corporation's internal control over compliance.


Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2016-002, 2016-003, 2016-004, 2016-005, 2016-006, 2016-007, 2016-008, 2016-009, 2016-010, and 2016-011 to be material weaknesses.

The School Corporation's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The School Corporation'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

May 23, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Years Ended June 30, 2015 and 2016

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	Total Federal Awards Expended 06-30-15	Total Federal Awards Expended 06-30-16
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
School Breakfast Program	Indiana Department of Education	10.553	FY 14-15	\$ 707,378	\$ -
School Breakfast Program			FY 15-16	-	623,943
School Breakfast Program					
Total - School Breakfast Program				707,378	623,943
National School Lunch Program					
School Lunch Program	Indiana Department of Education	10.555	FY 14-15	2,755,783	-
School Lunch Program			FY 15-16	-	2,461,870
Commodities			FY 14-15	381,945	-
Commodities			FY 15-16	-	387,009
Total - National School Lunch Program				3,137,728	2,848,879
Summer Food Service Program for Children					
Summer Food Service Program for Children	Indiana Department of Education	10.559	FY 14-15	36,093	-
Summer Food Service Program for Children			FY 15-16	-	46,551
Summer Food Service Program for Children					
Total - Summer Food Service Program for Children				36,093	46,551
Total - Child Nutrition Cluster				3,881,199	3,519,373
Child Nutrition Discretionary Grants Limited Availability	Indiana Department of Education	10.579	2014	-	14,367
Total - Department of Agriculture				3,881,199	3,533,740
<u>Department of Education</u>					
Special Education Cluster (IDEA)					
Special Education_Grants to States					
Special Ed. Part B Section 611 13-14	Indiana Department of Education	84.027	14214-043-PN01	654,948	-
Special Ed. Part B Section 611 14-15			14215-043-PN01	2,110,178	611,795
Special Ed. Part B Section 611 15-16			14216-043-PN01	-	2,199,707
Special Ed. Technical Assistance Grant			99914-43-TA01	34,948	17,876
Total - Special Education_Grants to States				2,800,074	2,829,378
Special Education_Preschool Grants					
Sp. Ed. Preschool Section 619	Indiana Department of Education	84.173	45714-043-PN01	28,177	-
Sp. Ed. Preschool Section 619			45715-043-PN01	71,889	44,232
Sp. Ed. Preschool Section 619			45716-043-PN01	-	84,165
Total - Special Education_Preschool Grants				100,066	128,397
Total - Special Education Cluster (IDEA)				2,900,140	2,957,775
Title I Grants to Local Educational Agencies					
Title I 13-14	Indiana Department of Education	84.010	14-2400	492,088	-
Title I 14-15			15-2400	1,680,518	482,387
Title I 15-16			16-2400	-	1,679,127
Title I School Improvement Grant 15-16			S010A150014	-	2,794
Total - Title I Grants to Local Educational Agencies				2,172,606	2,164,308

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Years Ended June 30, 2015 and 2016

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	Total Federal Awards Expended 06-30-15	Total Federal Awards Expended 06-30-16
Career and Technical Education -- Basic Grants to States Carl Perkins 13/14 Carl Perkins 14/15 Carl Perkins 15/16	Indiana Department of Education	84.048	13-4700-2400 14-4700-2400 15-4700-2400	166,226 341,327 -	- 195,755 364,224
Total - Career and Technical Education -- Basic Grants to States				<u>507,553</u>	<u>559,979</u>
Rehabilitation Services Vocational Rehabilitation Grants to States Rehabilitation Services Rehabilitation Services	Indiana Department of Education	84.126	2014 2015	370 770	- 7,601
Total - Rehabilitation Services Vocational Rehabilitation Grants to States				<u>1,140</u>	<u>7,601</u>
Fund for the Improvement of Education YMCA PEP Grant YMCA PEP Grant	YMCA of Southern Indiana, Inc.	84.215		53,546 -	- 6,358
Total - Fund for the Improvement of Education				<u>53,546</u>	<u>6,358</u>
Twenty-First Century Community Learning Centers 21st Century Grant 13/14 21st Century Grant 14/15 21st Century Grant 15/16	Indiana Department of Education	84.287	7000S287C120014 7000S287C130014 7000S287C140014	33,324 191,512 -	- 87,347 209,419
Total - Twenty-First Century Community Learning Centers				<u>224,836</u>	<u>296,766</u>
Advanced Placement Program (Advanced Placement Test Fee; Advanced Placement Incentive Program Grants) Advanced Placement Program		84.330	2015	-	882
English Language Acquisition State Grants Title III 12-13 Title III WIDA Development Grant Title III 13-14 Title III 14-15	Indiana Department of Education	84.365	01113-021-PN01 01113-319-PN01 01114-057-PN01 01115-057-PN01	10,077 844 24,221 5,770	3,285 - 1,843 28,423
Total - English Language Acquisition State Grants				<u>40,912</u>	<u>33,551</u>
Improving Teacher Quality State Grants Improving Teacher Quality State Grant Improving Teacher Quality State Grant Improving Teacher Quality State Grant	Indiana Department of Education	84.367	13-2400 14-2400 15-2400	157,799 282,991 -	- 157,110 288,660
Total - Improving Teacher Quality State Grants				<u>440,790</u>	<u>445,770</u>
Total - Department of Education				<u>6,341,523</u>	<u>6,472,990</u>
Total federal awards expended				<u>\$ 10,222,722</u>	<u>\$ 10,006,730</u>

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

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
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 School Corporation under programs of the federal government for the years ended June 30, 2015 and 2016. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the School Corporation, it is not intended to and does not present the financial position of the School Corporation.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1-25), audits of school corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
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 weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified for all programs except Improving Teacher Quality State Grants which is Qualified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	Child Nutrition Cluster
	Special Education Cluster (IDEA)
84.010	Title I Grants to Local Educational Agencies
84.048	Career and Technical Education - Basic Grants to States
84.367	Improving Teacher Quality State Grants

Dollar threshold used to distinguish between Type A and Type B programs: \$606,884

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

FINDING 2016-001

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

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

The School Corporation did not have sufficient internal controls in place to ensure all financial transactions of the School Corporation had been properly recorded in the School Corporation's records.

The payroll deduction clearing bank account was used to disburse employee withholdings to payroll vendors using an electronic payment method (ACH) that did not require checks. These amounts were set up in the payroll system as payroll direct deductions. Starting with the November 21, 2014 payroll, the deductions for Health Savings Accounts (HSA) were not posted to the clearing accounts in the School Corporation's financial records. The deductions did not appear on the School Corporation's vendor history reports, revenue reports, or expense reports, and the deductions were not approved by the School Board. The unrecorded deductions totaled \$446,378 for school year 2015 and \$835,222 for school year 2016.

Adjustments for the transactions noted above were proposed, accepted by the School Corporation, and made to the financial statements.

Context

This was a systemic problem. The HSA withholdings were not posted to the School Corporation's financial records starting in November 2014 and throughout the remainder of the audit period.

Criteria

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

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

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

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

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities. . . .

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

Indiana Code 5-11-10-1.6(c) states in part:

"The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless: . . .

- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Clearing accounts serve as control accounts for certain areas of the accounting system. Therefore, they must be supported by receipt and disbursement entries in the general ledger and subsidiary ledgers or other supporting records. The clearing accounts are subsidiary records only and should not be used in lieu of proper and prescribed reporting of receipts, disbursements and balances of funds of the school corporation in accordance with IC 5-11-1-2. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 7)

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 Indiana Public School Corporations, Chapter 1)

Cause

Management of the School Corporation had not established a proper system of internal control.

Effect

The failure to establish controls enabled misstatements or irregularities to remain undetected.

Recommendation

We recommended that the School Corporation establish a system of internal controls 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.

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Child Nutrition Cluster - Allowable Costs/Cost Principles

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,

Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 14-15

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreements and the Allowable Costs/Cost Principles. No controls were in place during the 2015 school year to ensure compliance with time and effort reporting requirements; therefore, none of the required reports were completed.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

No evidence was presented that Semi-Annual Certifications were completed and certified during the 2015 school year for any employees who were paid solely from food service funds. No evidence was presented that Personal Activity Reports were prepared during the audit period for any employees who were paid from multiple cost objectives.

This was a systemic problem for the 2015 school year.

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. . . ."

OMB Circular A-87, Attachment B, section 8h states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semiannually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

Cause

Management of the School Corporation had not designed or implemented internal control procedures to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance to go undetected. Noncompliance with the grant agreements and the compliance requirement could have resulted in loss of federal funds to the School Corporation.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance with the Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

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

FINDING 2016-003

Subject: Child Nutrition Cluster - Reporting

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Reporting

Audit Findings: Material Weakness, Other Matters

Condition

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

No evidence was presented for audit that indicated that someone other than the preparer of the Annual Financial Reports (AFR) and the School Food Authority (SFA) Verification Collection Reports was reviewing these reports for accuracy prior to submission.

The amounts reported on the AFR for Sales to Children and Sales to Adults were based off of the Meal and Revenue Reports from the Food Service Department point of sale software and not from the revenue reported in the School Lunch fund maintained on the School Corporation's fund ledger. As a result, the ending balance reported on the AFR did not agree with the ending balance of the School Lunch fund on the School Corporation's financial records.

Context

This was a systemic problem 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. . . ."

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

7 CFR 3016.20(b)(1) states: "*Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."

2 CFR 200.302 states in part: ". . . (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreement and the Reporting compliance requirement.

Effect

The failure to establish internal controls enabled material noncompliance to go undetected, which could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls, including segregation of duties, related to the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

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

FINDING 2016-004

Subject: School Breakfast Program and National School Lunch Program - Cash Management

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program

CFDA Numbers: 10.553, 10.555

Federal Award Numbers and Years (or Other Identifying Numbers): FY 14-15, FY 15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Cash Management

Audit Finding: Material Weakness

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Condition

No evidence was presented for audit that indicated internal controls were in place to ensure compliance with the requirements related to the grant agreement and the Cash Management compliance requirement.

The Food Service Director indicated that a monthly analysis of the net cash resources of the School Lunch fund was performed to ensure net cash resources did not exceed the three months average expenditures; however, documentation supporting that an analysis was being performed was not maintained and made available for audit.

Context

The lack of documentation to support the performance of a monthly analysis of the net cash resources of the School Lunch fund was a systemic problem 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. . . ."

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

Cause

Management had not developed a system of internal controls to ensure compliance with the grant agreement and the Cash Management compliance requirement.

Effect

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

Questioned Costs

There were no questioned costs identified.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the Cash Management compliance requirement.

Views of Responsible Officials

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

FINDING 2016-005

Subject: Child Nutrition Cluster - Procurement

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 15-16

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Procurement and Suspension and Debarment

Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not have internal controls in place to ensure the purchasing method used complied with 2 CFR 200.320.

The School Corporation did not present evidence that an adequate number of quotes were obtained and maintained for audit for procurements under the small purchases method.

Context

This was a systemic problem throughout the 2016 school year.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . .

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

Cause

The School Corporation's management did not establish controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

FINDING 2016-006

Subject: Child Nutrition Cluster - Program Income

Federal Agency: Department of Agriculture

Federal Programs: School Breakfast Program, National School Lunch Program,
Summer Food Service Program for Children

CFDA Numbers: 10.553, 10.555, 10.559

Federal Award Number and Year (or Other Identifying Number): FY 14-15

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Program Income

Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Program Income compliance requirement.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The School Corporation had not designed or implemented adequate policies and procedures to ensure that program income was properly recorded. For the 2015 school year, a prepaid meal account had not been established to separately account for collections received on students' prepaid accounts. The prepaid collections received were comingled with the program income and posted to the School Lunch fund. There was no distinction made in the School Lunch fund between the prepaid accounts and the program income.

Context

This was a systemic issue during the 2015 school year. During the 2016 school year, the School Corporation set up a Prepaid Food fund in the School Corporation ledger to separately account for the students' prepaid accounts.

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. . . ."

7 CFR 210.14(c) states:

"*Financial assurances.* The school food authority shall meet the requirements of the State agency for compliance with § 210.19(a) including any separation of records of nonprofit school food service from records of any other food service which may be operated by the school food authority as provided in paragraph (a) of this section."

7 CFR 220.13(j) states in part: "Each State agency . . . shall establish a financial management system under which School Food Authorities shall account for all revenues and expenditures of their nonprofit school food service. . . ."

7 CFR 225.6(e) states in part:

"*State-Sponsor Agreement.* A sponsor approved for participation in the Program must enter into a permanent written agreement with the State agency. All sponsors must agree in writing to: . . .

(12) Maintain a financial management system as prescribed by the State agency; . . ."

Cause

Management had not developed a system of internal controls during the 2015 school year that would have ensured compliance with the Program Income compliance requirement.

Effect

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the Program Income compliance requirement.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls and ensure compliance related to the grant agreement and the Program Income compliance requirement.

Views of Responsible Officials

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

FINDING 2016-007

Subject: Special Education_Grants to States - Procurement and Suspension and Debarment
Federal Agency: Department of Education
Federal Program: Special Education_Grants to States
CFDA Number: 84.027
Federal Award Numbers and Years (or Other Identifying Numbers): 14215-043-PN01, 14216-043-PN01
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not have internal controls in place to ensure the purchasing method used complied with 2 CFR 200.320.

The School Corporation did not present evidence that an adequate number of quotes were obtained for small purchases with estimated costs above \$3,500. Several personal service contracts were entered into without evidence of price or rate quotations being obtained.

The Special Education Director and the Treasurer signed the Application and Assurance Plan as a condition of federal assistance, which stated that the School Corporation would check the subcontractors to ensure that vendors were not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded by any federal agency or by any department, agency or political subdivision of the State of Indiana. However, the School Corporation did not ensure that the vendors were not suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into a covered transaction with them.

Context

Documentation was not presented that would indicate that an adequate number of price or rate quotations were requested for personal service contracts prior to entering into contracts under grant 14216-043-PN01.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

There were four contracts during the audit period that exceeded \$25,000; however, the School Corporation did not perform a verification to ensure that the vendors were not suspended or debarred prior to awarding these contracts for covered transactions.

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

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement. . . ."

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified.

You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management of the School Corporation had not developed a system of internal controls that would have ensured compliance with the Procurement and Suspension and Debarment compliance requirement.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Effect

The failure to establish an effective internal control system enabled the School Corporation to be in material noncompliance with the Procurement and Suspension and Debarment compliance requirement and the grant agreement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that School Corporation's management develop and implement procedures and establish controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

FINDING 2016-008

Subject: Title I Grants to Local Educational Agencies - Reporting
and Special Tests and Provisions - Comparability
Federal Agency: Department of Education
Federal Program: Title I Grants to Local Educational Agencies
CFDA Number: 84.010
Federal Award Numbers and Years (or Other Identifying Numbers): 14-2400, 15-2400
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Reporting, Special Tests and Provisions - Comparability
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2014-004.

Condition

The School Corporation had not established an effective internal control system related to the grant agreements and the Reporting and Special Tests and Provisions - Comparability compliance requirements.

Reporting

The Title I Director prepared the Annual Expenditure Report. No evidence was presented to indicate a control was in place such as an oversight, review, or approval process to ensure the Annual Expenditure Report was accurate and complete.

Special Test and Provisions - Comparability

The Title I Director prepared the Title I Comparability report. No evidence was presented to indicate a control was in place such as an oversight, review, or approval process to ensure the Title I Comparability report was accurate and complete.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The lack of controls pertaining to Reporting and Special Tests and Provisions - Comparability were systemic issues, which occurred throughout the audit.

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

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreements and the compliance requirements listed above.

Views of Responsible Officials

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

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2016-009

Subject: Career and Technical Education -- Basic Grants to States - Procurement
Federal Agency: Department of Education
Federal Program: Career and Technical Education -- Basic Grants to States
CFDA Number: 84.048
Federal Award Number and Year (or Other Identifying Number): 15-4700-2400
Pass-Through Entity: Indiana Department of Education
Compliance Requirement: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the School Corporation in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The School Corporation did not have internal controls in place to ensure the purchasing method used complied with 2 CFR 200.320.

The School Corporation did not present evidence that an adequate number of quotes were obtained for small purchases with estimated costs between \$3,500 and \$25,000. The School Corporation's Purchasing policy allowed the purchasing agent to make open market purchases of no more than \$25,000 for a single item or a group of similar items.

Context

This was a systemic problem throughout the audit period.

Criteria

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

2 CFR 200.320 states in part:

"The non-Federal Entity must use one of the following methods of procurement.

- (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (§ 200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. . . ."

Cause

The School Corporation's management had not established controls to ensure compliance with the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the compliance requirement could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the School Corporation's management establish controls related to the grant agreement and comply with the Procurement and Suspension and Debarment compliance requirement.

Views of Responsible Officials

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

FINDING 2016-010

Subject: Improving Teacher Quality State Grants - Period of Performance

Federal Agency: Department of Education

Federal Program: Improving Teacher Quality State Grants

CFDA Number: 84.367

Federal Award Numbers and Years (or Other Identifying Numbers): 14-2400, 15-2400

Pass-Through Entity: Indiana Department of Education

Compliance Requirement: Period of Performance

Audit Findings: Material Weakness, Modified Opinion

Condition

The School Corporation had not established an effective internal control system related to the grant agreements and the Period of Performance compliance requirement.

The School Corporation did not comply with the Period of Performance compliance requirement that all obligations for expenditures made from program funds were incurred and expended within the period of performance. The obligation and/or payment of the claims did not occur within the period of performance for transactions charged and recorded in the computerized accounting system.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The grant agreements included the following statement, "By federal regulation the project period start date can begin no earlier than the date the application was submitted. Therefore, upon grant approval, funds may be reimbursed back to the date this application is received by IDOE."

For Federal Award Number 14-2400 the following were noted:

1. Payroll related expenses for the pay period ending September 12, 2014, were charged to the project when the project start date was not until September 22, 2014. This resulted in \$13,278 being charged to the project prior to the period of performance.
2. Payroll related expenses for the pay period ending September 26, 2014, were charged to the program when a portion of the costs charged included amounts incurred prior to the September 22, 2014 project start date. This resulted in \$8,536 being charged to the project prior to the period of performance.

The above items resulted in a total of \$21,814 being charged to the project prior to the period of performance.

For Federal Award Number 15-2400 the following were noted:

1. Payroll related expenses for the pay period ending September 11, 2015, were charged to the project when the project start date was not until September 28, 2015. This resulted in \$14,128 being charged to the project prior to the period of performance.
2. Payroll related expenses for the pay period ending September 25, 2015, were charged to the project when the project start date was not until September 28, 2015. This resulted in \$12,774 being charged to the project prior to the period of performance.
3. Payroll related expenses for the pay period ending October 9, 2015, were charged to the program when a portion of the costs charged included amounts incurred prior to the September 28, 2015 project start date. This resulted in \$1,716 being charged to the project prior to the period of performance.

The above items resulted in a total of \$28,618 cost charged to the program prior to the period of performance.

The underlying obligations for \$50,432 of disbursements tested did not occur within the period of performance for the audit period.

Context

The School Corporation's failure to comply with the Period of Performance compliance requirement was a systemic issue. Of the payments tested, 7 percent were not obligated within the period of performance.

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. . . ."

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.303 states in part:

"The non-Federal entity must:

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

34 CFR 80.23 states:

"(a) *General.* Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) *Liquidation of obligations.* A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee."

2 CFR 200.309 states:

"A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance (except as described in § 200.461 Publication and printing costs) and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity."

The School Corporation's grant agreements included the following statement, "By federal regulation the project period start date can begin no earlier than the date the application was submitted. Therefore, upon grant approval, funds may be reimbursed back to the date this application is received by IDOE."

Cause

The School Corporation had not developed a system of internal controls that would have ensured compliance with the grant agreements and the Period of Performance compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected which could have resulted in the loss of federal funds to the School Corporation.

Questioned Costs

Known question costs of \$50,432 were identified in the *Condition*.

Recommendation

We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Period of Performance compliance requirement.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

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

FINDING 2016-011

Subject: Improving Teacher Quality State Grants - Activities Allowed
or Unallowed and Allowable Costs/Cost Principles
Federal Agency: Department of Education
Federal Program: Improving Teacher Quality State Grants
CFDA Number: 84.367
Federal Award Numbers and Years (or Other Identifying Numbers): 13-2400, 14-2400, 15-2400
Pass-Through Entity: Indiana Department of Education
Compliance Requirements: Activities Allowed or Unallowed and Allowable Costs/Cost Principles
Audit Findings: Material Weakness, Other Matters

Condition

The School Corporation had not established an effective internal control system related to the grant agreements and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

1. Disbursements originally paid from non-grant funds were transferred to the Improving Teacher Quality State Grants funds and labeled "reposts" without adequate documentation or evidence of approval for Federal Award Number 14-2400.
 - a. A repost for a total of \$526 of expenses was transferred from high school certified salaries and related FICA and retirement from the General fund to the program grant fund 6840 and charged to the professional development budget line item. The amount of \$526 is considered question costs.
 - b. A repost for a total of \$5,169 of expenses was transferred from the curricular development expense line item of the General fund to the program grant fund 6840 and charged to the professional development budget line item. The amount of \$5,169 is considered question costs.

Allowable Costs/Cost Principles

1. The School Corporation did not maintain the necessary documentation required relating to time and effort to support salaries charged to the program. Personnel Activity Reports or other documentation of personnel expenses for employees who worked on multiple activities or cost objectives during the audit period were not completed or presented. Semi-Annual Certifications or other documentation of personnel expenses for employees whose salaries were paid 100 percent out of the grant funds were not completed or presented.
2. The School Corporation incorrectly calculated the indirect costs that could be charged to Federal Award Number 15-2400. The School Corporation requested and received \$8,854 from the Indiana Department of Education (IDOE) for indirect costs when it was only entitled to receive \$7,216. The School Corporation applied the wrong indirect cost rate to the expenditure base which resulted in the \$1,638 in excess indirect costs being requested and received. The amount of \$1,638 is considered question costs.

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

1. Disbursements originally paid from non-grant funds that were transferred to the Improving Teacher Quality State Grants Fund and labeled "reposts" without adequate documentation or evidence of approval. The lack of controls and noncompliance was limited to the Federal Award Number 14-2400.
2. The lack of controls and the noncompliance pertaining to time and effort reporting were systemic issues, which occurred throughout the audit.
3. The incorrect indirect cost rate was charged during the audit period. The lack of controls and noncompliance were limited to the Federal Award Number 15-2400.

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

OMB Circular A-87, Attachment A, Part C. Basic Guidelines states in part:

- "1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:
 - a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
 - b. Be allocable to Federal awards under the provisions of this Circular. . . .
 - j. be adequately documented. . . ."

2 CFR 200.403 states in part:

"Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards: . . ."

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(b) Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items. . . .

(g) Be adequately documented. . . ."

OMB Circular A-87, Attachment B, section 8h states in part:

". . . (3) Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semiannually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee.

(4) Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. Such documentary support will be required where employees work on:

- (a) More than one Federal award,
- (b) A Federal award and a non-Federal award,
- (c) An indirect cost activity and a direct cost activity,
- (d) Two or more indirect activities which are allocated using different allocation bases, or
- (e) An unallowable activity and a direct or indirect cost activity. . . ."

2 CFR 200.430(i) states in part:

"*Standards for Documentation of Personnel Expenses* (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities (for IHE, this per the IHE's definition of IBS); . . .
- (iv) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity. . . ."

NEW ALBANY-FLOYD COUNTY CONSOLIDATED SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management of the School Corporation had not developed an effective internal control system that would have ensured compliance with the Activities Allowed Unallowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

Effect

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

Questioned Costs

Known questioned costs of \$7,333 were identified, as noted in the *Condition*.

Recommendation

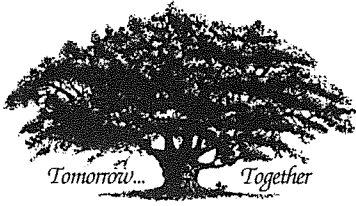
We recommended that the School Corporation's management establish controls to ensure compliance and comply with the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

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 School Corporation. The documents are presented as intended by the School Corporation.



NEW ALBANY FLOYD COUNTY SCHOOLS

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2813 Grant Line Road
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www.nafcs.org

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Bradley J. Snyder
Superintendent

FINDING 2014-002

BOARD OF SCHOOL TRUSTEES

- Jenny Higbie
President
- Elizabeth Galligan
Vice President
- Lee Ann Wiseheart
Secretary
- Jan Anderson
Member
- Donna Corbett
Member
- K. Lee Cotner
Member
- Rebecca Gardenour
Member

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Chris Street, Corporation Treasurer
Contact Phone Number: 812-542-2129

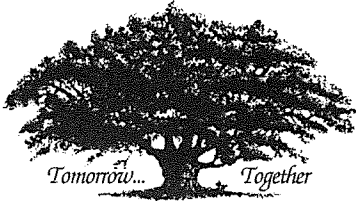
Status of Audit Finding:

The School Lunch Fund is being monitored to ensure that the average monthly balances do not exceed the three month average, but the corporation failed to retain documentation and review of the calculations. Moving forward, the Food Services Director will document and retain the calculation.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-22-18
(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Bradley J. Snyder
Superintendent

FINDING 2014-003

BOARD OF SCHOOL
TRUSTEES

Jenny Higbie
President

Elizabeth Galligan
Vice President

Lee Ann Wiseheart
Secretary

Jan Anderson
Member

Donna Corbett
Member

K. Lee Cotner
Member

Rebecca Gardenour
Member

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Chris Street, Corporation Treasurer
Contact Phone Number: 812-542-2129

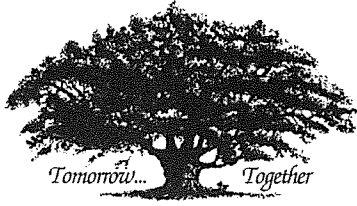
Status of Audit Finding:

Vendor names are cross checked against the SAM.gov listing by Food Services during contract renewals with the co-op to ensure they are not suspended or excluded from doing business with the federal government.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-22-18
(Date)



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Bradley J. Snyder
Superintendent

BOARD OF SCHOOL TRUSTEES

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- Lee Ann Wiseheart
Secretary
- Jan Anderson
Member
- Donna Corbett
Member
- K. Lee Cotner
Member
- Rebecca Gardenour
Member

FINDING 2014-004

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Chris Street, Corporation Treasurer
Contact Phone Number: 812-542-2129

Status of Audit Finding:

Title I reimbursements are reviewed and signed by two people knowledgeable with the request.

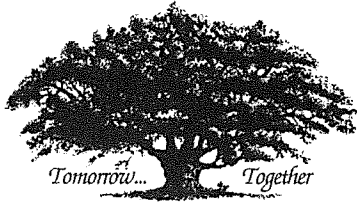
Title I matching, level of effort, and earmarking are monitored by the Title I director and the Title I administrative assistant to ensure that one percent of the grant is used for parental involvement.

Title I comparability reports and the financial annual reports were not signed by two people during the audit period. Moving forward, a member of the administrative team will review the reports for completeness and accuracy and a secondary signature will be included.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-22-18
(Date)



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Bradley J. Snyder
Superintendent

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

BOARD OF SCHOOL TRUSTEES

Jenny Higbie
President
Elizabeth Galligan
Vice President
Lee Ann Wiseheart
Secretary
Jan Anderson
Member
Donna Corbett
Member
K. Lee Cotner
Member
Rebecca Gardenour
Member

FINDING 2014-005

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: IDOE
Contact Person Responsible for Corrective Action: Chris Street, Corporation Treasurer
Contact Phone Number: 812-542-2129

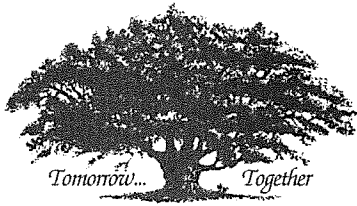
Status of Audit Finding:

Monthly reimbursement requests to the Indiana Department of Education Office of Career and Technical Education are reviewed and signed by two people knowledgeable with the request.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-22-18
(Date)



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CORRECTIVE ACTION PLAN

Bradley J. Snyder
Superintendent

FINDING 2016-001

BOARD OF SCHOOL TRUSTEES

Jenny Higbie
President
Elizabeth Galligan
Vice President
Lee Ann Wiseheart
Secretary
Jan Anderson
Member
Donna Corbett
Member
K. Lee Cotner
Member
Rebecca Gardenour
Member

Contact Person Responsible for Corrective Action: Chris Street, Corporation
Treasurer
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the finding.

Description of Corrective Action Plan: The Corporation did not record Health Savings Account ("H.S.A.") withholdings correctly in the ledger. When the method of dispersing the money was changed to direct deposit, the Corporation did not apply the correct accounting procedure. The Corporation Deputy Treasurer has correctly implemented an accounting procedure that ensures the direct deposit transaction is correctly reflected on the Corporation ledger similar to how other withholdings are recorded.

Anticipated Completion Date: Effective immediately.

Chris Street

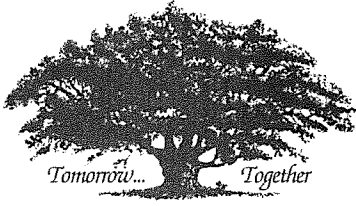
(Signature)

Chief Business Officer

(Title)

5-23-18

(Date)



NEW ALBANY FLOYD COUNTY SCHOOLS

Administrative Services Center
2813 Grant Line Road
P.O. Box 1087
New Albany, IN 47151-1087
(812) 949-4200
Fax (812) 542-4743
www.nafcs.org

CORRECTIVE ACTION PLAN

Bradley J. Snyder
Superintendent

FINDING 2016-002

BOARD OF SCHOOL TRUSTEES

- Jenny Higbie
President
- Elizabeth Galligan
Vice President
- Lee Ann Wiseheart
Secretary
- Jan Anderson
Member
- Donna Corbett
Member
- K. Lee Cotner
Member
- Rebecca Gardenour
Member

Contact Person Responsible for Corrective Action: Chris Street, Corporation
Treasurer
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the finding.

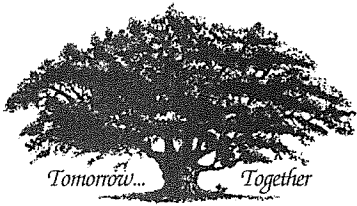
Description of Corrective Action Plan: Time and effort reports were not maintained for the 2014-2015 audit period. For years 2015-2016 and beyond, time clock reports will be used to meet the standard for internal controls related to the time and effort requirement.

Anticipated Completion Date: Effective Immediately.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-23-18
(Date)



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CORRECTIVE ACTION PLAN

Bradley J. Snyder
Superintendent

FINDING 2016-003

BOARD OF SCHOOL TRUSTEES

- Jenny Higbie
President
- Elizabeth Galligan
Vice President
- Lee Ann Wiseheart
Secretary
- Jan Anderson
Member
- Donna Corbett
Member
- K. Lee Cotner
Member
- Rebecca Gardenour
Member

Contact Person Responsible for Corrective Action: Chris Street, Corporation
Treasurer
Contact Phone Number: 812-542-2128

Views of Responsible Official: The Corporation concurs with the finding.

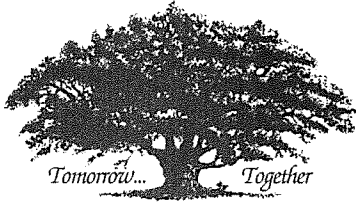
Description of Corrective Action Plan: The Corporation did not have an effective internal control in place to indicate that someone other than the preparer of the Annual Financial Reports and the Verification Summary Reports was reviewing these reports for accuracy prior to submission. Moving forward, the Corporation will establish a documentation trail to ensure that each report has a dual signature and that there is a clear separation of duties and review.

Anticipated Completion Date: Effective Immediately.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-23-18
(Date)



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- K. Lee Cotner
Member
- Rebecca Gardenour
Member

FINDING 2016-004

Contact Person Responsible for Corrective Action: Chris Street, Corporation
Treasurer
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the finding.

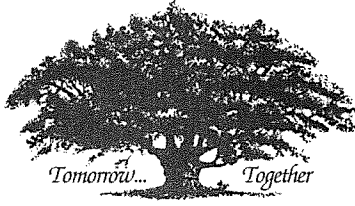
Description of Corrective Action Plan: The Corporation did not have the proper internal control in place to document the calculation of the monthly analysis of the cash balance of the School Lunch Fund was performed. The Food Service Director maintained compliance of the standard, but did not document the calculation. Moving forward, the Food Service Director will maintain documentation of the analysis.

Anticipated Completion Date: Effective Immediately.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-23-18
(Date)



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FINDING 2016-005

Contact Person Responsible for Corrective Action: Chris Street, Corporation
Treasurer
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the finding, although the procurement threshold had not been communicated to the Corporation.

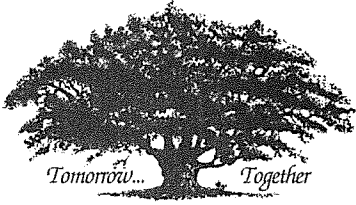
Description of Corrective Action Plan: The Corporation did not obtain an adequate number of quotes for small purchases with an estimated cost between \$3,500 and \$25,000. The Corporation purchasing policy allows the purchasing agent to make open market purchases of no more than \$25,000 for a single item or a group of similar items. The Corporation had not adapted the policy to reflect the federal guideline of \$3,500 and above. To establish and maintain control over procurement compliance, the Corporation is updating the procurement policy to reflect the new threshold for federal award programs. The Corporation is directing purchasers to obtain three quotes for purchases between \$3,500 and \$150,000 and that the documentation be maintained with the grant program file. Two signatures will be required when making a purchase to ensure effective internal control over the procurement program.

Anticipated Completion Date: Effective Immediately.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-23-18
(Date)



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Member
- Rebecca Gardenour
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FINDING 2016-006

Contact Person Responsible for Corrective Action: Chris Street, Corporation
Treasurer
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the finding.

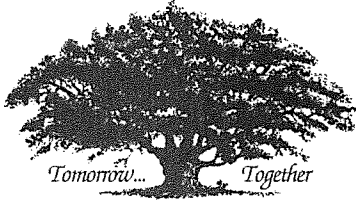
Description of Corrective Action Plan: The Corporation developed an 8400 prepaid account, but the implementation of the account was not executed in the proper manner. Moving forward, money deposited into student accounts at the building level will be remitted to the Corporation 8400 prepaid account on a monthly basis. The amount charged to the prepaid accounts will then be remitted to the 800 school lunch fund from the 8400 prepaid account once per month. The 800 school lunch fund will have three lines for revenue: breakfast, student lunch, and adult lunch.

Anticipated Completion Date: Effective Immediately.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-23-18
(Date)



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Member
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Member
- Rebecca Gardenour
Member

FINDING 2016-007

Contact Person Responsible for Corrective Action: Chris Street, Corporation
Treasurer
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the finding, although the procurement threshold had not been communicated to the Corporation.

Description of Corrective Action Plan: The Corporation did not obtain an adequate number of quotes for small purchases with an estimated cost between \$3,500 and \$25,000. The Corporation purchasing policy allows the purchasing agent to make open market purchases of no more than \$25,000 for a single item or a group of similar items. The Corporation had not adapted the policy to reflect the federal guideline of \$3,500. The Corporation did not consider personal service contracts a requirement for getting three quotes, so there were some contracts that did not have the proper documentation to meet the requirement. To establish and maintain control over procurement compliance, the Corporation is updating the procurement policy to reflect the new threshold for federal award programs. The school corporation is directing purchasers to obtain three quotes for purchases between \$3,500 and \$150,000 and that the documentation be maintained with the grant program file. Two signatures will be required when making a purchase to ensure effective internal control over the procurement program.

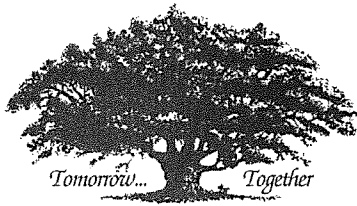
The Corporation did not verify if subcontractors were suspended or debarred or otherwise excluded from or ineligible for participation in federal assistance programs prior to entering into a covered transaction with them. Moving forward, the Corporation will check SAMS.gov for contracts over \$25,000 to ensure compliance.

Anticipated Completion Date: Effective Immediately.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-23-18
(Date)



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CORRECTIVE ACTION PLAN

Bradley J. Snyder
Superintendent

FINDING 2016-008

**BOARD OF SCHOOL
TRUSTEES**

- Jenny Higbie
President
- Elizabeth Galligan
Vice President
- Lee Ann Wiseheart
Secretary
- Jan Anderson
Member
- Donna Corbett
Member
- K. Lee Cotner
Member
- Rebecca Gardenour
Member

Contact Person Responsible for Corrective Action: Chris Street, Corporation
Treasurer
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the finding.

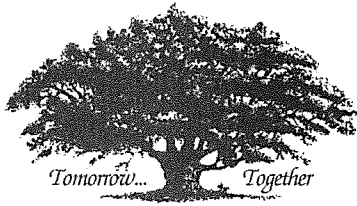
Description of Corrective Action Plan: The Corporation did not have the proper internal control in place to ensure oversight, review, or approval of the Title I Comparability Report or the annual expenditure report. Moving forward, these reports will be reviewed with a secondary signature.

Anticipated Completion Date: Effective immediately.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-23-18
(Date)



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CORRECTIVE ACTION PLAN

Bradley J. Snyder
Superintendent

FINDING 2016-009

BOARD OF SCHOOL TRUSTEES

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President
Elizabeth Galligan
Vice President
Lee Ann Wiseheart
Secretary
Jan Anderson
Member
Donna Corbett
Member
K. Lee Cotner
Member
Rebecca Gardenour
Member

Contact Person Responsible for Corrective Action: Chris Street, Corporation
Treasurer
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the finding, although the procurement threshold had not been communicated to the Corporation.

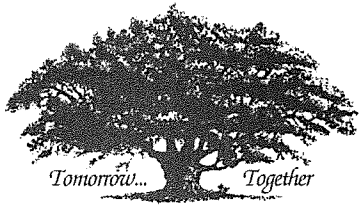
Description of Corrective Action Plan: The Corporation did not obtain an adequate number of quotes for small purchases with an estimated cost between \$3,500 and \$25,000. The Corporation purchasing policy allows the purchasing agent to make open market purchases of no more than \$25,000 for a single item or a group of similar items. The Corporation had not adapted the policy to reflect the federal guideline of \$3,500. To establish and maintain control over procurement compliance, the Corporation is updating the procurement policy to reflect the new threshold for federal award programs. The Corporation is directing purchasers to obtain three quotes for purchases between \$3,500 and \$150,000 and that the documentation be maintained with the grant program file. Two signatures will be required when making a purchase to ensure effective internal control over the procurement program.

Anticipated Completion Date: Effective Immediately.

Ch Street
(Signature)

Chief Business Officer
(Title)

5-23-18
(Date)



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CORRECTIVE ACTION PLAN

Bradley J. Snyder
Superintendent

FINDING 2016-010

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President
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Secretary
- Jan Anderson
Member
- Donna Corbett
Member
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Member
- Rebecca Gardenour
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Contact Person Responsible for Corrective Action: Chris Street, Corporation
Treasurer
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the finding.

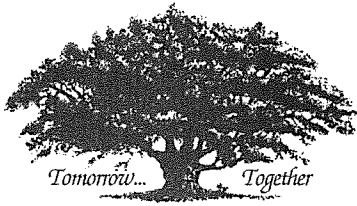
Description of Corrective Action Plan: The Corporation posted payroll expenses before the start date of the grant. The Corporation is implementing internal control procedures across the district to ensure compliance with grants. To ensure that the Corporation is compliant with grant requirements, an individual in the district will be responsible for coordinating and monitoring a grant. The work of the individual will be reviewed by a member of senior management and the work will be signed by two people knowledgeable of the grant. Before expenditures are posted to a grant, payroll personnel will coordinate with the Deputy Treasurer to ensure compliance.

Anticipated Completion Date: Effective Immediately

Chris Street
(Signature)

Chief Business Officer
(Title)

5-23-18
(Date)



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CORRECTIVE ACTION PLAN

Bradley J. Snyder
Superintendent

FINDING 2016-011

BOARD OF SCHOOL TRUSTEES

- Jenny Higbie
President
- Elizabeth Galligan
Vice President
- Lee Ann Wiseheart
Secretary
- Jan Anderson
Member
- Donna Corbett
Member
- K. Lee Cotner
Member
- Rebecca Gardenour
Member

Contact Person Responsible for Corrective Action: Chris Street, Corporation
Treasurer
Contact Phone Number: 812-542-2129

Views of Responsible Official: The Corporation concurs with the finding.

Description of Corrective Action Plan: The Corporation did not establish an effective internal control system to ensure proper support for two expenditures. Moving forward, any repost of expenditures to and from a federal grant must have proper documentation with dual signatures. The Corporation did not maintain documentation related to time and effort to support salaries charged to the program. Moving forward, personal activity reports or semi-annual certifications will be documented. The Corporation incorrectly calculated the indirect cost rate. Moving forward, a copy of the current indirect cost rate sheet from the Department of Education will be filed with the grant, as well as a manual calculation recorded.

Anticipated Completion Date: Effective Immediately.

Chris Street
(Signature)

Chief Business Officer
(Title)

5-23-18
(Date)

OTHER REPORTS

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