

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION

VANDERBURGH COUNTY, INDIANA

July 1, 2005 to June 30, 2006



FILED
09/20/2006

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OFFICIALS

Office

Official

Term

Executive Director

Brad Mills

07-01-05 to 06-30-07

Chairman, Policy Committee

Jack Corn

07-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE EVANSVILLE METROPOLITAN PLANNING ORGANIZATION, VANDERBURGH COUNTY, INDIANA

We have examined the schedule of receipts, disbursements, and cash and investment balances of the Evansville Metropolitan Planning Organization (Metropolitan Planning Organization), for the period of July 1, 2005 to June 30, 2006. The Metropolitan Planning Organization's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Metropolitan Planning Organization for the fiscal year ended June 30, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 21, 2006

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL FUND TYPES
 As Of And For The Fiscal Year Ended June 30, 2006

	Cash and Investments 07-01-05	Receipts	Disbursements	Cash and Investments 06-30-06
Governmental Fund: General	\$ 170,450	\$ 592,960	\$ 538,540	\$ 224,870

The accompanying notes are an integral part of the schedules.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION
NOTES TO SCHEDULE

Note 1. Introduction

The Metropolitan Planning Organization was established under the laws of the State of Indiana and operates under an appointed governing board.

The Evansville Metropolitan Planning Organization (Evansville MPO) was created by an agreement by and between the City of Evansville, Vanderburgh County, Town of Newburgh and Warrick County of the State of Indiana and the City of Henderson of the Commonwealth of Kentucky. Evansville MPO is a district made up of the City of Evansville and the Town of Newburgh, all of Vanderburgh County except Union Township, a portion of Ohio, Boon and Anderson Townships of Warrick County, and the City of Henderson in Kentucky. This agreement was entered into pursuant to Indiana Code 36-1-7-1 et seq. and Section 65.210 of the Kentucky Revised Statutes. Activities of Evansville MPO are conducted by the Policy Committee through votes of the members as provided in the By-Laws.

Evansville MPO was first established in October 1969, and, as required by the 1962 Federal Aid Highway Act, conducts a continuing comprehensive and cooperative process to meet Federal Aid Highway planning requirements. The Metropolitan Planning Organization is jointly guided by the Indiana Department of Transportation, Kentucky Transportation Cabinet, and the United States Department of Transportation (Federal Highway Administration, Federal Transit Administration). It was designated as the Metropolitan Planning Organization for the Evansville Urbanized Area, effective as of July 1, 1985. On April 6, 2006, the Policy Committee approved changing the unit's name from Evansville Urban Transportation Study to Evansville Metropolitan Planning Organization.

The City of Evansville's Controller is required to maintain the financial records of Evansville MPO per an agreement between the City and Evansville MPO.

Note 2. Fund Accounting

The Metropolitan Planning Organization uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Transportation.

The Metropolitan Planning Organization's management cannot transfer budgeted appropriations without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the total appropriations for any budgeted fund or any department of the general fund.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION
NOTES TO SCHEDULE
(Continued)

Note 4. Deposits and Investments

State statute (IC 5-13-9) authorizes the Metropolitan Planning Organization to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Metropolitan Planning Organization contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent 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 PERF Board, most requirements of the system, and give the Metropolitan Planning Organization 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

Note 6. Subsequent Event

The agreement between the City of Evansville and Evansville MPO terminated as of July 1, 2006. Evansville MPO will maintain its own financial records from that date forward.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2006, with Brad Mills, Executive Director; and Kari Akin, Accountant. Our examination disclosed no material items that warrant comment at this time.