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April 10, 2019


The Officials of the Evansville Metropolitan Planning Organization  
Evansville Metropolitan Planning Organization  
1 NW Martin L King RM 316  
Evansville, IN 47708

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Evansville Metropolitan Planning Organization. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period July 1, 2017 to June 30, 2018. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of Evansville Metropolitan Planning Organization as of June 30, 2018, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

In addition to the report presented herein, a Supplemental Report for Evansville Metropolitan Planning Organization was prepared in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

  
Paul D. Joyce, CPA  
State Examiner

**EVANSVILLE METROPOLITAN PLANNING ORGANIZATION**  
Vanderburgh County, Indiana

**FINANCIAL STATEMENTS**  
June 30, 2018

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
Vanderburgh County, Indiana

FINANCIAL STATEMENTS  
June 30, 2018

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EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF OFFICIALS (Unaudited)  
June 30, 2018

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Seyed Shokouhzadeh	07-01-17 to 06-30-18
Finance Officer	Kari Akin	07-01-17 to 06-30-18
Chairman of the Policy Committee	Jack Corn, Jr.	07-01-17 to 06-30-18

## INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance  
Evansville Metropolitan Planning Organization  
Evansville, Indiana

**Report on the Financial Statement**

We have audited the accompanying statement of receipts, disbursements, and cash and investment balances of Evansville Metropolitan Planning Organization (the Unit) as of and for the year ended June 30, 2018, and the related notes (the financial statements).

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6) as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity'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 statements.

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

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

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

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(Continued)

The effects on the financial statements 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 statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Unit as of June 30, 2018, or changes in net position or cash flows thereof for the year then ended.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the Unit as of June 30, 2018, and its cash receipts and disbursements for the year then ended in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Schedule of Officials, and Supplementary Information Schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, 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 statements as a whole.

The Schedule of Officials and Supplementary Information Schedules have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

***Report on Other Legal and Regulatory Requirement***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2019, on our consideration of the Unit's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Unit's internal control over financial reporting and compliance.

  
Crowe LLP

Indianapolis, Indiana  
March 14, 2019

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
REGULATORY BASIS  
For the Year Ended June 30, 2018

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<u>Fund</u>	Cash and Investments <u>07-01-17</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>06-30-18</u>
General Fund	\$ 691,183	\$ 1,118,238	\$ 1,063,002	\$ 746,419
Totals	<u>\$ 691,183</u>	<u>\$ 1,118,238</u>	<u>\$ 1,063,002</u>	<u>\$ 746,419</u>

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See accompanying notes to financial statements.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity: The Evansville Metropolitan Planning Organization (the Unit) was established under the laws of the State of Indiana. The Unit operates under an appointed governing board.

The accompanying financial statement presents the financial information for the Unit.

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 (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

Receipts: Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

*Charges for services.* Amounts received including, but not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable television receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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

*Other receipts.* Amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

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

*Personal services.* Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those Units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

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(Continued)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Supplies.* Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Capital outlay.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Other disbursements.* Amounts disbursed for various purposes including, but not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, lease agreements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

Interfund Transfers: The Unit may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

Fund Accounting: Separate funds are established, maintained, and reported by the Unit. 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 Unit. 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 Unit 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 - 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 (PDIF). This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Unit 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. Given the limited investment parameters applicable under state statute, certain risks, such as credit, custodial, concentration, and interest rate are not deemed significant. As of the year ended June 30, 2018, the Unit held investments in non-negotiable certificates of deposit.

The Unit held cash deposits with financial institutions that maintained FDIC and PDIF coverages, as applicable.

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(Continued)

### **NOTE 3 - RISK MANAGEMENT**

The Unit may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions 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 Unit 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.

The Unit has purchased insurance to address the risks described above.

### **NOTE 4 - PENSION PLAN**

#### *Public Employees' Retirement Fund*

##### *Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Unit 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  
1 North Capital Street, 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. The Unit made contributions to the PERF plan during the year(s) under audit. The contribution rate was 11.2% for the year under audit.

### **NOTE 5 - OTHER POSTEMPLOYMENT BENEFITS**

The Unit provides an optional, single employer 457b deferred compensation plan to eligible retirees. These benefits pose a liability to the Unit for this year and in future years. Information regarding the benefits can be obtained by contacting the Unit who has the authority under which benefits and contribution requirements are established or can be amended. The Unit made contributions to the plan during the years under audit.

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**SUPPLEMENTAL SCHEDULES (Unaudited)**

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended June 30, 2018

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	General Fund	Totals
Cash and investments - beginning	\$ 691,183	\$ 691,183
Receipts:		
Intergovernmental receipts	915,128	915,128
Charges for services	182,300	182,300
Other receipts	<u>20,810</u>	<u>20,810</u>
Total receipts	<u>1,118,238</u>	<u>1,118,238</u>
Disbursements:		
Personal services	747,054	747,054
Supplies	7,534	7,534
Other services and charges	161,261	161,261
Capital outlay	103,880	103,880
Other disbursements	<u>43,273</u>	<u>43,273</u>
Total disbursements	<u>1,063,002</u>	<u>1,063,002</u>
Excess (deficiency) of receipts over disbursements	<u>55,236</u>	<u>55,236</u>
Cash and investments - ending	<u>\$ 746,419</u>	<u>\$ 746,419</u>

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EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2018

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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:	
Machinery, equipment and vehicles	\$ <u>452,632</u>
 Total capital assets	 \$ <u><u>452,632</u></u>

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF LEASES AND DEBT  
June 30, 2018

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Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
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None.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2018

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<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ <u>          -</u>	\$ <u>          -</u>

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
OTHER REPORT  
June 30, 2018

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The reports presented herein were prepared in addition to another official report prepared for the Unit as listed below:

Indiana State Board of Accounts Compliance Examination of Evansville Metropolitan Planning Organization

The above report contains the results of the compliance examination as required by the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts*.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass- Through To Subrecipient	Total Federal Awards Expended
<u>Department of Transportation</u>					
Federal Transit Cluster					
Federal Transit_Formula Grants					
IN FTA 5307	City of Evansville	20.507	IN-2016-017-00	\$ -	\$ 10,000
KY FTA 5307	City of Henderson	20.507	KY-2016-010-00	-	10,000
Total - Federal Transit_Formula Grants				-	20,000
Total - Federal Transit Cluster				-	20,000
Highway Planning and Construction Cluster					
Highway Planning and Construction					
KY PL 2018	Kentucky Transportation Cabinet	20.205	1700005047	-	62,400
Highway Planning and Construction					
IN STBG 18 ALTA	Indiana Department of Transportation	20.205	A249-14-321135 A4	-	16,996
IN SPR 18	Indiana Department of Transportation	20.205	A249-16-G160013 A1	-	35,715
IN STP Specials	Indiana Department of Transportation	20.205	A249-16-G160013	-	23,907
IN STBG 2018	Indiana Department of Transportation	20.205	A249-16-G160013 A1	-	157,675
IN PL/5303 2018	Indiana Department of Transportation	20.205	A249-16-G160013 A1	-	405,126
IN HSIP 2018	Indiana Department of Transportation	20.205	A249-16-G160013 A1	-	100,000
INDOT Traffic Counts Large SPR	Indiana Department of Transportation	20.205	A249-17-ON170087	-	31,200
Non-State Owned Traffic Counts SPR	Indiana Department of Transportation	20.205	A249-15-ON150056	-	9,200
Total - Highway Planning and Construction				-	779,819
Total - Highway Planning and Construction Cluster				-	842,219
Transit Services Programs Cluster					
Formula Grants for Enhanced Mobility of Seniors and Individuals with Disabilities					
FTA 5310 17	Direct	20.513	IN-2016-027	1,633	1,633

See accompanying notes to the schedule of federal awards.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2018

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass- Through To Subrecipient	Total Federal Awards Expended
Enhanced Mobility of Seniors and Individuals with Disabilities					
FTA 5310 18	Direct	20.513	IN-2017-020	<u>72,598</u>	<u>95,235</u>
Total - Transit Services Programs Cluster				<u>74,231</u>	<u>96,868</u>
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research					
KY FTA 5303 2018	Kentucky Transportation Cabinet	20.505	KY-2017-002-01	-	<u>6,000</u>
Total - Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research					
Total - Department of Transportation				<u>74,231</u>	<u>965,087</u>
Total federal awards expended				<u>\$ 74,231</u>	<u>\$ 965,087</u>

See accompanying notes to the schedule of federal awards.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2018

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**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Evansville Metropolitan Planning Organization (the "Unit") under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Unit, it is not intended to and does not present the receipts, disbursements, and cash and investment balances – regulatory basis of the Unit. Expenditures reported on the Schedule 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 and Local Governments, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Unit has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

Those Charged with Governance  
Evansville Metropolitan Planning Organization  
Evansville, Indiana

We have audited, in accordance with the 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 statements of Evansville Metropolitan Planning Organization ("Unit"), which comprise the statement of receipts, disbursements, and cash and investment balances of the Unit as of and for the year ended June 30, 2018 and the related notes to the financial statements, and have issued our report thereon dated March 14, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Unit'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 statements, but not for the purpose of expressing an opinion on the effectiveness of the Unit's internal control. Accordingly, we do not express an opinion on the effectiveness of the Unit's internal control.

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Unit's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Crowe LLP

Indianapolis, Indiana  
March 14, 2019



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

Those Charged with Governance  
Evansville Metropolitan Planning Organization  
Evansville, Indiana

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

We have audited Evansville Metropolitan Planning Organization's (Unit) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Unit's major federal program for the year ended June 30, 2018. The Unit's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Unit's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Unit'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 the major federal program. However, our audit does not provide a legal determination of the Unit's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Unit complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

## Report on Internal Control Over Compliance

Management of the Unit 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 Unit's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Unit's internal control over compliance.

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

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

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Crowe LLP

Indianapolis, Indiana  
March 14, 2019

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2018

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**SECTION 1 - SUMMARY OF AUDITORS' RESULTS:**

***Financial Statements***

Type of auditors report issued      Adverse as to GAAP, Unmodified as to regulatory basis

Internal control over financial reporting

Material weakness(es) identified?      \_\_\_\_\_ Yes        X   No

Significant deficiencies identified not considered to be material weaknesses?      \_\_\_\_\_ Yes        X   None Reported

Noncompliance material to financial statements noted?      \_\_\_\_\_ Yes        X   No

***Federal Awards***

Internal control over major programs

Material weakness(es) identified?      \_\_\_\_\_ Yes        X   No

Significant deficiencies identified not considered to be material weaknesses?      \_\_\_\_\_ Yes        X   None Reported

Type of auditor's report issued on compliance for major programs      Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?      \_\_\_\_\_ Yes        X   No

Identification of major programs

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
20.205	Highway Planning and Construction

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

Auditee qualified as low-risk auditee?        X   Yes      \_\_\_\_\_ No

**SECTION 2 – FINDINGS RELATED TO THE FINANCIAL STATEMENTS THAT ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

None.

**SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None.

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EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
EXIT CONFERENCE  
July 1, 2017 to June 30, 2018

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The contents of this report were discussed on March 14, 2019, with Kari Akin, Finance Officer, Seyed Shokouhzadeh, Executive Director, and Jack Corn, Chairman of the Policy Committee.