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May 21, 2021

Board of Directors  
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, 2019 to June 30, 2020. 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, 2020, 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.

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

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

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

**FINANCIAL STATEMENTS**  
June 30, 2020

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
Vanderburgh County, Indiana

FINANCIAL STATEMENTS  
June 30, 2020

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EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF OFFICIALS (Unaudited)  
June 30, 2020

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| <u>Office</u>                    | <u>Official</u>    | <u>Term</u>          |
|----------------------------------|--------------------|----------------------|
| Executive Director               | Seyed Shokouhzadeh | 07-01-19 to 06-30-20 |
| Finance Officer                  | Kari A. Akin       | 07-01-19 to 06-30-20 |
| Chairman of the Policy Committee | Jack Corn, Jr.     | 07-01-19 to 06-30-20 |

## 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, 2020, 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, 2020, 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, 2020, 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***

*Supplementary Information*

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.

***Other Reporting Required by Governmental Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated May 17, 2021 on our consideration of the Unit's internal control over financial reporting and on our tests 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 effectiveness of the Unit'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 Unit's internal control over financial reporting and compliance.

  
Crowe LLP

Indianapolis, Indiana  
May 17, 2021

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended June 30, 2020

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| <u>Fund</u>  | <u>Cash and<br/>Investments<br/>07-01-2019</u> | <u>Receipts</u>     | <u>Disbursements</u> | <u>Cash and<br/>Investments<br/>06-30-2020</u> |
|--------------|--|---------------------|----------------------|--|
| General Fund | \$ 422,024                                     | \$ 1,734,736        | \$ 1,199,574         | \$ 957,186                                     |
| Totals       | <u>\$ 422,024</u>                              | <u>\$ 1,734,736</u> | <u>\$ 1,199,574</u>  | <u>\$ 957,186</u>                              |

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See accompanying notes to financial statements.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020

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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:

*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.

*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.

*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.

**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, 2020, 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.

**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.

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(Continued)

#### **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.

#### **NOTE 6 - RECENT EVENTS**

In March 2020, the World Health Organization declared the coronavirus (COVID-19) outbreak to be a global pandemic. COVID-19 has impacted economic activity and financial markets globally. The operations and business results of the Unit could be materially adversely affected. The extent to which the coronavirus may impact business activity will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

**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, 2020

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|                                       | General<br>Fund   |
|---------------------------------------|-------------------|
| Cash and investments - beginning      | \$ <u>422,024</u> |
| Receipts:                             |                   |
| Intergovernmental receipts            | 1,437,511         |
| Charges for services                  | 295,230           |
| Other receipts                        | <u>1,995</u>      |
| Total receipts                        | <u>1,734,736</u>  |
| Disbursements:                        |                   |
| Personal services                     | 786,964           |
| Supplies                              | 2,669             |
| Other services and charges            | 162,811           |
| Capital outlay                        | 201,681           |
| Other disbursements                   | <u>45,449</u>     |
| Total disbursements                   | <u>1,199,574</u>  |
| Excess of receipts over disbursements | <u>535,162</u>    |
| Cash and investments - ending         | \$ <u>957,186</u> |

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EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF PAYABLES AND RECEIVABLES  
June 30, 2020

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| <u>Government or Enterprise</u> | <u>Accounts<br/>Payable</u> | <u>Accounts<br/>Receivable</u> |
|---------------------------------|-----------------------------|--------------------------------|
| Governmental activities         | \$ <u>          </u> -      | \$ <u>      4,440</u>          |

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF CAPITAL ASSETS  
June 30, 2020

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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<br/>Balance</u> |
|-----------------------------------|---------------------------|
| Governmental activities:          |                           |
| Machinery, equipment and vehicles | <u>\$ 686,524</u>         |
| Total capital assets              | <u>\$ 686,524</u>         |

**OTHER INFORMATION**

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2020

| Federal Grantor Agency<br>Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant  | Federal<br>CFDA<br>Number | Pass-Through<br>Entity (or Other)<br>Identifying<br>Number | Passed<br>Though to<br>Subrecipient | Total<br>Federal<br>Awards<br>Expended |
|---|--------------------------------------|---------------------------|--|-------------------------------------|--|
| <u>Department of Transportation</u>                                 |                                      |                           |  |                                     |  |
| Federal Transit Cluster   |                                      |                           |  |                                     |  |
| Federal Transit Formula Grants                                      |                                      |                           |  |                                     |  |
| IN FTA 5307   | City of Evansville                   | 20.507                    | IN-2017-019-00   | \$ -                                | \$ 10,000                              |
| KY FTA 5307   | City of Henderson                    | 20.507                    | KY-2019-005-00   | -                                   | 10,000                                 |
| Total – Federal Transit Cluster                                     |                                      |                           |  | -                                   | 20,000                                 |
| Highway Planning and Construction Cluster                           |                                      |                           |  |                                     |  |
| Highway Planning and Construction                                   |                                      |                           |  |                                     |  |
| Transportation Planning   |                                      |                           |  |                                     |  |
| KY PL 2019  | Kentucky Transportation Cabinet      |                           | 1900000309   | -                                   | 26,931                                 |
| KY PL 2020  |                                      |                           | 1900001598   | -                                   | 53,071                                 |
| KY PL Pavement  |                                      |                           | 1900000327   | -                                   | 3,968                                  |
| IN PL/5303 2019   | Indiana Department of Transportation |                           | A249-19-G180341  | -                                   | 194,576                                |
| IN PL 2020  |                                      |                           | A249-19-G180341 A1   | -                                   | 362,677                                |
| Surface Transportation Block Grant                                  |                                      |                           |  |                                     |  |
| IN STBG Pavement  |                                      |                           |  |                                     |  |
| IN STBG 2019  |                                      |                           | A249-19-G180341  | -                                   | 77,727                                 |
| IN STBG 2020  |                                      |                           | A249-19-G180341  | -                                   | 59,672                                 |
|   |                                      |                           | A249-19-G180341 A1   | -                                   | 43,302                                 |
| State Planning Research   |                                      |                           |  |                                     |  |
| INDOT SPR Pavement  |                                      |                           |  |                                     |  |
| IN SPR 2019   | Indiana Department of Transportation |                           | A249-19-G180341 A1   | -                                   | 161,688                                |
| IN SPR 2020   |                                      |                           | A249-19-G180341  | -                                   | 37,362                                 |
|   |                                      |                           | A249-19-G180341 A1   | -                                   | 38,049                                 |
| Highway Safety Improvement Program                                  |                                      |                           |  |                                     |  |
| IN HSIP 2019  | Indiana Department of Transportation |                           | A249-19-G180341  | -                                   | 41,225                                 |
| IN HISP 2020  |                                      |                           | A249-19-G180341 A1   | -                                   | 79,433                                 |
| Total – Highway Planning and Construction Cluster                   |                                      |                           |  | -                                   | 1,179,681                              |
| Transit Services Programs Cluster                                   |                                      |                           |  |                                     |  |
| Enhanced Mobility of Seniors and<br>Individuals with Disabilities   |                                      |                           |  |                                     |  |
| FTA 5310 19 V   | Direct                               | 20.513                    | IN-2018-013  | 88                                  | 88                                     |
| FTA 5310 20 Admin   |                                      |                           | IN-2019-011-00   | -                                   | 24,122                                 |
| FTA 5310 20 V   |                                      |                           | IN-2019-011-00   | 200,448                             | 200,448                                |
| Total – Transit Services Programs Cluster                           |                                      |                           |  | 200,536                             | 224,658                                |

See accompanying notes to the schedule of expenditure of federal awards.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2020

| <u>Federal Grantor Agency<br/>Cluster Title/Program Title/Project Title</u>  | <u>Pass-Through<br/>Entity or Direct Grant</u> | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-Through<br/>Entity (or Other)<br/>Identifying<br/>Number</u> | <u>Passed<br/>Though to<br/>Subrecipient</u> | <u>Total<br/>Federal<br/>Awards<br/>Expended</u> |
|--|--|------------------------------------|--|--|--|
| Metropolitan Transportation Planning and State<br>and Non-Metropolitan Planning and Research<br>FTA KY 5303 19<br>FTA KY 5303 20 | Kentucky Transportation Cabinet                | 20.505                             | KY-2017-002-02<br>KY-2017-002-02                                     | \$ -<br>-                                    | \$ 4,846<br>8,326                                |
| Total for CFDA 20.505  |  |                                    |  | -  | 13,172   |
| Total federal awards expended – Department of Transportation   |  |                                    |  | \$ 200,536                                   | \$ 1,437,511                                     |

See accompanying notes to the schedule of expenditure of federal awards.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2020

---

**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, 2020. 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. When federal grants are received on a reimbursement basis, the federal awards are considered expensed when the reimbursement is received.

**NOTE 2 - INDIRECT COST RATE**

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, 2020 and the related notes to the financial statements, which collectively comprise the Unit's basic financial statements, and have issued our report thereon dated May 17, 2021.

**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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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.

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(Continued)

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Unit's financial statements are 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

The image shows a handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Indianapolis, Indiana  
May 17, 2021

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, 2020. 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, 2020.

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(Continued)

## 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 each major federal program to determine the M 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Crowe LLP

Indianapolis, Indiana  
May 17, 2021

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 June 30, 2020

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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?      \_\_\_\_\_ Yes        X   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  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2020

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

**Finding 2019-001 – Financial Close and Reporting**

**Status:** Not repeated in the current year.

**Finding 2019-002 – Preparation of the Schedule of Expenditures of Federal Awards**

**Status:** Not repeated in the current year.

EVANSVILLE METROPOLITAN PLANNING ORGANIZATION  
EXIT CONFERENCE  
July 1, 2019 to June 30, 2020

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The contents of this report were discussed on May 12, 2021, with Kari Akin, Finance Officer, Seyed Shokouhzadeh, Executive Director, Rusty Fowler, Policy Member, William Newman, Policy Member, and Jack Corn, Chairman of the Policy Committee.