DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

INDEPENDENT AUDITOR'S REPORTS
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
SCHEDULE OF FINDINGS

Year Ended June 30, 2012

Shull
and Co. P.C.
certified public accountants

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

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Shull
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INDEPENDENT AUDITOR'S REPORT

Des Moines Area Metropolitan Planning Organization
Des Moines, Iowa

We have audited the accompanying financial statements of the governmental activities and each major fund of Des Moines Area Metropolitan Planning Organization as of and for the year ended June 30, 2012 which collectively comprise Des Moines Area Metropolitan Planning Organization's basic financial statements listed in the table of contents. These financial statements are the responsibility of Des Moines Area Metropolitan Planning Organization management. Our responsibility is to express opinions 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of Des Moines Area Metropolitan Planning Organization as of June 30, 2012, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 8, 2013 on our consideration of the Des Moines Area Metropolitan Planning Organization'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Management's discussion and analysis and budgetary comparison information on pages 4 through 8 and 21 through 22 are not a part of the basic financial statements but are supplementary information, required by the Governmental Accounting Standards Board. We applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Des Moines Area Metropolitan Planning Organization's basic financial statements. Other supplementary information included in the accompanying Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the Schedule of Expenditures, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Skull & Co., P.C.

January 8, 2013

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Des Moines Area Metropolitan Planning Organization (DMAMPO) provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2012. We encourage readers to consider this information in conjunction with the financial statements, which follow.

2011 FINANCIAL HIGHLIGHTS

- Revenues of DMAMPO's governmental activities increased approximately $1,584,000, from fiscal 2011 to fiscal 2012.
- Program expenses increased approximately $1,027,000, in fiscal 2012 from fiscal 2011.
- DMAMPO's net assets increased approximately $393,000, from June 30, 2011 to June 30, 2012.

USING THIS ANNUAL REPORT

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of DMAMPO's financial activities.

Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of DMAMPO as a whole and present an overall view of DMAMPO finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund Financial Statements report DMAMPO's operations in more detail than the government-wide statements by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the Financial Statements with a comparison of DMAMPO's budget for the year.

The Schedule of Expenditures of Federal Awards provides details of various federal programs benefiting DMAMPO.

REPORTING DMAMPO'S FINANCIAL ACTIVITIES

Government-wide Financial Statements

One of the most important questions asked about DMAMPO's finances is "Is DMAMPO as a whole better or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information which helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account, regardless of when cash is received or paid.

The Statement of Net Assets presents all of DMAMPO's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in DMAMPO's net assets may serve as a useful indicator of whether the financial position of DMAMPO is improving or deteriorating.

The Statement of Activities presents information showing how DMAMPO's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The Statement of Net Assets and the Statement of Activities report DMAMPO's transportation planning activities. Member assessments and federal grants finance most of these activities.

Fund Financial Statements

All of DMAMPO's activities are accounted for in the general fund.

This fund is reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of DMAMPO's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance DMAMPO's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net assets for governmental activities.

NET ASSETS OF GOVERNMENTAL ACTIVITIES

	JUNE 30,	
	2012	2011
Current assets	$ 745,649	189,104
Capital assets	67,423	44,421
	813,072	233,525
Current liabilities	280,551	116,838
Other liabilities	54,056	34,920
	334,607	151,758
Net assets		
Invested in capital assets	67,423	44,421
Unrestricted	411,042	37,346
	$ 478,465	81,767

CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

	YEAR ENDED JUNE 30,	
	2012	2011
Program revenues		
Charges for service	$ 96,660	57,721
Operating grants and contributions	2,029,727	764,280
General revenues		
Member assessments	541,427	262,106
Miscellaneous	450	450
Unrestricted investment earnings	38	28
	2,668,302	1,084,585
Program expenses		
Public works - transportation planning	1,085,627	959,354
Public works - sustainable communities regional planning	1,161,603	35,998
General government	24,374	232,689
	2,271,604	1,228,041
Increase (decrease) in net assets	396,698	(143,456)
Net assets, beginning of year	81,767	225,223
Net assets, end of year	$ 478,465	81,767

Net assets of governmental activities increased from fiscal year 2011 by approximately $396,700. The largest portion of DMAMPO's net assets are unrestricted net assets, that can be used to finance day-to-day operations without constraints established by debt covenants, legislation or other legal requirements.

Revenues for operating grants, contributions and restricted interest increased by approximately $1,265,400 due to increased intergovernmental revenues.

INDIVIDUAL MAJOR FUND ANALYSIS

Governmental Fund Highlights

The General Fund showed an increase in fund balance of $392,832 from the prior year to $465,098.

BUDGETARY HIGHLIGHTS

Over the course of the year, DMAMPO amended its budget to reallocate expenditures among internally designated functions.

DMAMPO's receipts were $267,387 more than budgeted receipts, a variance of 11.1%. The most significant variances resulted from intergovernmental receipts greater than planned.

Total disbursements were $176,060 more than budgeted, a variance of 8.4%. Actual disbursements for sustainable communities regional planning activities were more than planned.

CAPITAL ASSETS AND DEBT ADMINISTRATION

DMAMPO capital assets consist of furnishings and equipment. See Note 3 to the financial statements for more information about DMAMPO's capital assets.

ECONOMIC FACTORS BEARING ON DMAMPO'S FUTURE

DMAMPO is almost entirely dependent upon Federal operating grants and member assessments to fund its operations.

CONTACTING DMAMPO'S FINANCIAL MANAGEMENT

This financial report is designed to present our citizens, members and grantor agency with a general overview of DMAMPO's finances and operating activities. If you have any questions or require additional information please contact the Executive Director, 420 Watson Powell, Jr. Way, Suite 200, Des Moines, Iowa 50309.

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

Statement of Net Assets
June 30, 2012

	Governmental Activities
ASSETS	
Cash and short term investments	$ 409,098
Due from other governmental units	
Iowa Department of Transportation	232,281
U.S. Department of Housing and Urban Development	45,071
Central Iowa Regional Transportation Planning Alliance	13,809
Other	17,727
Prepaid expenses	27,663
Capital assets, net of accumulated depreciation	67,423
	813,072
LIABILITIES	
Accounts payable	42,291
Wages and benefits payable	22,721
Prepaid member assessments	215,539
Compensated absences payable	54,056
	334,607
NET ASSETS	
Invested in capital assets	67,423
Unrestricted	411,042
	$ 478,465

See accompanying notes to financial statements.

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

Statement of Activities
June 30, 2012

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions and Restricted Interest	Net (Expense) Revenue and Changes in Net Assets
Governmental activities				
Public works				
Transportation Planning	$ 1,085,627	96,660	868,124	(120,843)
Sustainable Communities				
Regional Planning	1,161,603	-	1,161,603	-
General government	24,374	-	-	(24,374)
	2,271,604	96,660	2,029,727	(145,217)
General revenues				
Grants and contributions not restricted to specific purpose - member assessments				541,427
Unrestricted investment earnings				38
Miscellaneous revenues				450
				541,915
Change in net assets				396,698
Net assets, beginning of year				81,767
Net assets, end of year				$ 478,465

See accompanying notes to financial statements.

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

Balance Sheet – Governmental Fund
June 30, 2012

	GENERAL FUND
ASSETS	
Cash and short-term investments	$ 409,098
Due from other governmental units	
Iowa Department of Transportation	232,281
U.S. Department of Housing and Urban Development	45,071
Central Iowa Regional Transportation Planning Alliance	13,809
Other	17,727
Prepaid expenses	27,663
	$ 745,649
LIABILITIES AND FUND BALANCE	
Accounts payable	$ 42,291
Wages and benefits payable	22,721
Prepaid member assessments	215,539
Total liabilities	280,551
Fund balances	
Nonspendable	
Prepaid expenses	27,663
Unassigned	437,435
Total fund balances	465,098
	$ 745,649

See accompanying notes to financial statements.

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

Reconciliation of the Balance Sheet –
Governmental Fund to the Statement of Net Assets
June 30, 2012

Total governmental fund balances	$	465,098
Amounts reported for governmental activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of assets is $259,397 and the accumulated depreciation is $191,974		67,423
Long-term liabilities, including compensated absences, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		(54,056)
Net assets of governmental activities	$	478,465

See accompanying notes to financial statements

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

Statement of Revenues, Expenditures and Changes
in Fund Balance - General Fund
For the Year Ended June 30, 2012

REVENUES		
Intergovernmental		
Iowa Department of Transportation	$	848,124
Central Iowa Regional Transportation Planning Alliance		49,161
U.S. Department of Housing and Urban Development		1,156,403
Member assessments		541,427
Contributions for planning activities		72,699
Interest income		38
Miscellanoues revenues		450
		2,668,302
EXPENDITURES		
Public works - transportation planning		
Transportation planning		507,058
Transit planning		36,244
Public involvement and interagency coordination		107,983
Committee support and administration		290,181
Regional transportation planning		49,161
Transportation Management Association support		95,000
Public works-sustainable communities regional planning		1,161,603
General government - administration		28,240
		2,275,470
Excess of revenues over (under) expenditures		392,832
Fund balance, beginning of year		72,266
Fund balance, end of year	$	465,098

See accompanying notes to financial statements.

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances –
Governmental Fund to the Statement of Activities
For the Year Ended June 30, 2012

Net change in fund balances - governmental fund		$ 392,832
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Depreciation expense exceeded capital outlay expenditures in the current year, as follows:		
Expenditures for capital assets	$ 49,515	
Depreciation expense	(26,513)	23,002
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, as follows:		
Compensated absences		(19,136)
Change in net assets of governmental activities		$ 396,698

See accompanying notes to financial statements.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Reporting Entity - The Des Moines Area Metropolitan Planning Organization (the "Organization") was established on July 1, 1983 as a voluntary organization of city and county governments to serve as a designated metropolitan planning organization pursuant to Part 450 of Title 23 of the Code of Federal Regulations for the Des Moines Urbanized Area as defined by the U.S. Bureau of the Census and includes the cities of Altoona, Ankeny, Bondurant, Carlisle, Clive, Des Moines, Grimes, Johnston, Mitchellville, Norwalk, Pleasant Hill, Polk City, Urbandale, Waukee, West Des Moines and Windsor Heights, portions of the counties of Dallas, Polk and Warren; and Des Moines Area Regional Transit Authority. The Organization is a separate legal entity pursuant to Chapter 28E of the Code of Iowa with powers and purposes to carry out transportation planning activities for the metropolitan area and to carry out such other activities fostering collaboration between and among its member governments and other agencies, entities and persons that involve information gathering and dissemination, planning and consensus building deemed beneficial to the Organization planning area.

The financial statements of the Organization have been prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

B. Basis of Presentation

Government-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the Organization. Governmental activities, which are supported by property tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Organization's assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduction by outstanding balances for bonds, notes and other debt attributable to the acquisition, construction or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation (Continued)

Government-wide Financial Statements (Continued) – *Unrestricted net assets* consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions restricted to meeting the operational or capital requirements of a particular function. Member assessments and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – The Organization reports the following major governmental fund:

The General fund is the general operating fund of the Organization. All general tax revenues and other revenues not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Member assessments are recognized as revenue in the year for which they are assessed. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Organization considers revenues to be available if they are collected within 60 days after year end.

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Intergovernmental revenues (member assessments, shared revenues, grants and reimbursements from other governments) and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Organization.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

The Organization maintains its financial records on the cash basis. The financial statements of the Organization are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Budgets and Budgetary Accounting - The Organization adopts a budget and determines the per capita assessment rate for members on an annual basis. Amendments to the budget are made throughout the year as determined necessary by the Organization. The budgetary comparison and related disclosures are reported as Required Supplementary Information.

E. Capital Assets – Capital assets, which include furniture and equipment, are reported in the government wide statement of net assets. Capital assets are recorded at cost and are depreciated using the straight line method over an estimated useful life of three to five years.

F. Compensated Absences - Employees of the Organization accumulate a limited amount of earned but unused vacation and sick leave hours for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees who have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2012. The compensated absences liability attributable to the governmental activities will be paid by the General Fund.

2. CASH AND SHORT TERM INVESTMENTS

The Organization's deposits in banks at June 30, 2012 were entirely covered by federal depository insurance, or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The Organization is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federal insured depository institutions approved by the member government representatives; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2012, the Organization had investments in the Iowa Public Agency Investment Trust which are valued at an amortized cost of $327,937 pursuant to Rule 2a-7 under the Investment Company Act of 1940.

Interest rate risk – The Organization's investment policy limits the investment of operating funds (funds expected to be expended in the current budget year or within 15 months of receipt) to instruments that mature within 397 days. All of the Organization's cash and short term investments have been designated as operating funds.

Credit risk – The Organization's investment in the Iowa Public Agency Investment Trust is unrated.

3. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2012 was as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
Governmental activities				
Capital assets being depreciated				
Equipment	$ 148,255	34,809	-	183,064
Furnishings	61,627	14,706	-	76,333
	209,882	49,515	-	259,397
Less accumulated depreciation for				
Equipment	106,602	22,882	-	129,484
Furnishings	58,859	3,631	-	62,490
	165,461	26,513	-	191,974
Net capital assets	$ 44,421	23,002	-	67,423

4. SUPPORT FROM GOVERNMENTAL UNITS

The Organization received substantially all of its revenues from federal and local governmental units. A significant reduction in the level of these revenues would have a significant effect on the Organization's programs and activities.

The Organization has received grants for the 2013 fiscal year as follows:

Agreement No. 13MPO-DMAMPO	$950,342

Grant revenues represent both carryover funds from previous fiscal years and new federal planning funds for each year. The fiscal 2012 grant agreement for $841,662 included $131,607 which was unexpended as of June 30, 2011. Unexpended prior year grant funds amounted to $86,537 as of June 30, 2012. The unexpended amounts have in the past and are expected to continue to be carried over and be available for subsequent fiscal years.

5. PENSION AND RETIREMENT BENEFITS

The Organization contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P. O. Box 9117, Des Moines, Iowa, 50306-9117.

5. PENSION AND RETIREMENT BENEFITS (CONTINUED)

Plan members are required to contribute 5.38% of their annual salary and the Organization is required to contribute 8.07% of covered payroll. Contribution requirements are established by State statute. The Organization's contribution to IPERS for the years ended June 30, 2012, 2011 and 2010 were $46,341, $40,276 and $38,308, respectively, equal to the required contributions for the year.

6. COMMITMENTS

The Organization leases office space under the terms of an agreement which expired August 31, 2011. The agreement provided the Organization pay monthly rent of $5,680 plus its share of increases in property taxes and operating expenses of the building. Rental expense under the agreement for the year ended June 30, 2012 was $10,849.

In June 2011, the Organization entered into a lease agreement for office space for the period from September 2011 through November 2021. The agreement provides the Organization pay monthly rent of $9,365 per month from December 2011 through November 2016 and $9,699 per month from December 2016 through November 2021, plus its share of increases in property taxes and utilities expense for the building. Rental expense under the agreement for the year ended June 30, 2012 was $65,554.

The Organization is obligated under a lease agreement for a copier which expires in August 2014. The agreement provides the Organization pay a monthly rental of $1,549, plus per copy usage charges and all maintenance and insurance costs for the equipment. Rental expense under the agreement for the year ended June 30, 2012 was $35,550.

Aggregate future minimum lease payments under leases with a remaining term in excess of one year as of June 30, 2012 are as follows:

Year Ending June 30,		
2013	$	130,968
2014		130,968
2015		115,478
2016		112,380
2017		114,718
Thereafter		514,047
	$	1,118,559

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

Budgetary Comparison of Revenues, Expenditures and Changes in
Fund Balance - General Fund - Budget and Actual
For the Year Ended June 30, 2012

	ACTUAL	BUDGETED AMOUNTS ORIGINAL	BUDGETED AMOUNTS FINAL	FINAL TO ACTUAL
REVENUES				
Intergovernmental				
Iowa Department of Transportation	$ 848,124	934,663	934,663	(86,539)
Central Iowa Regional Transportation Planning Alliance	49,161	64,925	64,925	(15,764)
U.S. Department of Housing and Urban Development	1,156,403	800,000	800,000	356,403
Member assessments	541,427	541,427	541,427	-
Contributions for planning activities	72,699	59,900	59,900	12,799
Interest income	38	-	-	38
Miscellaneous	450	-	-	450
	2,668,302	2,400,915	2,400,915	267,387
EXPENDITURES				
Public works - transportation planning				
Transportation planning	507,058	518,701	545,391	(38,333)
Transit planning	36,244	44,358	44,358	(8,114)
Public involvement and interagency coordination	107,983	207,685	118,071	(10,088)
Committee support and administration	290,181	311,841	364,065	(73,884)
Regional transportation planning	49,161	64,925	64,925	(15,764)
Transportation Management Association support	95,000	95,000	95,000	-
Other projects	-	30,000	40,700	(40,700)
Public works - sustainable communities regional planning	1,161,603	800,000	800,000	361,603
General government - administration	28,240	26,900	26,900	1,340
	2,275,470	2,099,410	2,099,410	176,060
Excess of revenues over (under) expenditures	392,832	301,505	301,505	91,327
Fund balance, beginning of year	72,266	72,266	72,266	-
Fund balance, end of year	$ 465,098	373,771	373,771	91,327

See accompanying independent auditor's report.

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

Notes to Required Supplementary Information – Budgetary Reporting

Year ended June 30, 2012

The budgetary comparison is presented as Required Supplementary Information in accordance with Government Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund.

In accordance with the Code of Iowa, DMAMPO annually adopts a budget following required public notice and hearing. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon nine major classes of disbursements known as functions, not by fund or fund type. These nine functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects and business type activities. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. During the year the budget was amended to add the sustainable communities regional planning public works function and additional general government expenditures and to change the budgetary allocation among the various work elements within the transportation planning public works function.

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

GRANTOR PROGRAM	CFDA NO.	GRANT NO.	GRANT AMOUNT	DUE FROM GRANTOR BEGINNING OF YEAR	GRANT REVENUE RECEIPTS	PROGRAM EXPEN-DITURES	DUE FROM GRANTOR END OF YEAR
Federal Highway Administration							
Iowa Department of Transportation	20.205	11MPO-DMAMPO Contract 12138	$ 820,195	$ 80,607	80,607	-	-
	20.205	11MPO-DMAMPO Contract 12202	95,451	9,490	9,490	-	-
	20.205	12MPO-DMAMPO Contract 13064	839,662	-	535,413	753,124	217,711
	20.205	12MPO-DMAMPO Contract 13089	95,000	-	80,430	95,000	14,570
	20.205	06-EDP-125	100,000	4,398	4,398	-	-
				94,495	710,338	848,124	232,281
U.S. Department of Housing and Urban Development	14.703	IARIP 0010-10	$ 2,000,000	$ 35,998	1,147,330	1,156,403	45,071
				$ 130,493	1,857,668	2,004,527	277,352

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

Schedule of Expenditures
For the Year Ended June 30, 2012

	$	578,385
Payroll taxes		92,110
Group insurance		132,087
Office rent		77,487
Printing and reproduction		36,277
Information technology		52,390
Travel, conferences and meetings		31,373
Office supplies		9,873
Postage		7,279
Legal fees		28,226
Audit and consulting fees		7,675
Insurance		8,100
Memberships		9,043
Official publications		2,166
Telephone		3,458
Transportation Management Association support		95,000
Capital Crossroads consultants fees		1,051,888
Other		3,138
Subtotal		2,225,955
Equipment and furnishings purchases		49,515
Total expenditures	$	2,275,470

See accompanying independent auditor's report.

Shull
and Co. P.C.
certified public accountants

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

Des Moines Area Metropolitan Planning Organization
Des Moines, Iowa

We have audited the financial statements of the governmental activities and each major fund of Des Moines Area Metropolitan Planning Organization as of and for the year ended June 30, 2012, which collectively comprise the Organization's basic financial statements listed in the table of contents and have issued our report thereon dated January 8, 2013. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Des Moines Area Metropolitan Planning Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Des Moines Area Metropolitan Planning Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Des Moines Area Metropolitan Planning Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting 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 a material misstatement of the Organization's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in Part II of the accompanying Schedule of Findings and Questioned Costs as item II-A-11 to be a material weakness.

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A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Des Moines Area Metropolitan Planning Organization'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*.

Des Moines Area Metropolitan Planning Organization's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the Organization's responses, we did not audit Des Moines Area Metropolitan Planning Organization's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of Des Moines Area Metropolitan Planning Organization, the Iowa Department of Transportation and other grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

Shull & Co., P.C.

January 8, 2013

Shull
and Co. P.C.
certified public accountants

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Des Moines Area Metropolitan Planning Organization
Des Moines, Iowa

Compliance

We have audited the compliance of Des Moines Area Metropolitan Planning Organization with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2012, Des Moines Area Metropolitan Planning Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to its major federal program is the responsibility of Des Moines Area Metropolitan Planning Organization's management. Our responsibility is to express an opinion on Des Moines Area Metropolitan Planning Organization's compliance based on our audit.

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 Des Moines Area Metropolitan Planning Organization'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. Our audit does not provide a legal determination of Des Moines Area Metropolitan Planning Organization's compliance with those requirements.

In our opinion, Des Moines Area Metropolitan Planning Organization complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2012.

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Internal Control Over Compliance

The management of Des Moines Area Metropolitan Planning Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grant agreements applicable to federal programs. In planning and performing our audit, we considered Des Moines Area Metropolitan Planning Organization's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 Des Moines Area Metropolitan Planning Organization'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 significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management of 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 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 deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item III-A-11 to be a material weakness.

Des Moines Area Metropolitan Planning Organization's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the Organization's responses, we did not audit Des Moines Area Metropolitan Planning Organization's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of Des Moines Area Metropolitan Planning Organization, the Iowa Department of Transportation and other grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

Slull & Co., P.C.

January 8, 2013

DES MOINES AREA METROPOLITAN PLANNING ORGANIZATION

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Part I: Summary of the Independent Auditor's Results:

(A) Unqualified opinions were issued on the financial statements.

(B) A material weakness in internal control over financial reporting was disclosed by the audit of the financial statements.

(C) The audit did not disclose any noncompliance which is material to the financial statements.

(D) A material weaknesses in internal control over the major program was disclosed by the audit of the financial statements.

(E) An unqualified opinion was issued on compliance with requirements applicable to the major program.

(F) The audit disclosed an audit findings which is required to be reported in accordance with Office of Management and Budget Circular A-133, Section .510(a).

(G) The major programs are CFDA Number 20.505 – Highway Planning and CFDA Number 14.703 – Sustainable Communities Regional Planning.

(H) The dollar threshold used to distinguish between Type A and Type B programs was $300,000.

(I) Des Moines Area Metropolitan Planning Organization did not qualify as a low risk auditee.

Part II: Findings Related to the Financial Statements:

INTERNAL CONTROL DEFICIENCIES

II-A-11 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. We noted that all general ledger accounting functions, bank reconciliations and financial reporting are done by one individual. This individual also can prepare and sign checks. The Organization does require two signatures on each check to mitigate risk of loss.

Part II: Findings Related to the Financial Statements (Continued):

Recommendation – We realize the limited number of staff make segregation of duties difficult and that Des Moines Area Metropolitan Planning Organization has established a Finance Committee of outside financial staff from certain member governments to oversee accounting functions, financial reporting and internal procedures. We recommend Des Moines Area Metropolitan Planning Organization continue to review its procedures to obtain the maximum segregation possible in the circumstances. And consider involvement of its officers or executive committee in the performance and review of financial activity.

Response – We will continue to review our procedures and assignment of duties to limit incompatible duties.

Conclusion – Response accepted.

INSTANCES OF NON-COMPLIANCE

No matters noted.

Part III: Findings and Questioned Costs for Federal Awards:

INSTANCES OF NON-COMPLIANCE

No matters noted.

INTERNAL CONTROL DEFICIENCIES

III-A-11 Segregation of Duties – Des Moines Area Metropolitan Planning Organization did not maintain segregation of accounting duties, including those related to federal programs. See item II-A-11.