

**OHIO-KENTUCKY-INDIANA
REGIONAL COUNCIL OF GOVERNMENTS**

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS

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ACRONYMS/ABBREVIATIONS

CMAQ	Congestion Mitigation and Air Quality
EPA	Environmental Protection Agency
FAST	Fixing America's Surface Transportation (FAST) Act
FHWA	Federal Highway Administration
FIAM	Fiscal Impact Analysis Model
FTA	Federal Transit Administration
HCEMA	Hamilton County Emergency Management Agency
HPR	Highway Planning and Research
INDOT	Indiana Department of Transportation
JARC	Job Access Reserve Commute
KYTC	Kentucky Transportation Cabinet
MPO	Metropolitan Planning Organization
NARC	National Association of Regional Councils
ODOT	Ohio Department of Transportation
OEPA	Ohio Environmental Protection Agency
OKI	Ohio-Kentucky-Indiana Regional Council of Governments
PL	Planning
SNK	Surface Transportation Planning (Northern Kentucky)
STP	Surface Transportation Planning (Ohio and Indiana)
UPWP	Unified Planning Work Program

Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

OKI Regional Council of Governments
720 East Pete Rose Way, Suite 420
Cincinnati, Ohio 45202

To the Executive Committee:

Report on the Financial Statements

We have audited the accompanying financial statements of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise OKI's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to OKI's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of OKI's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OKI as of June 30, 2017 and 2016, and the changes in its financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *management's discussion and analysis* to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on OKI's basic financial statements taken as a whole.

The accompanying supplemental schedules 1–3 and schedules of cumulative revenues and expenditures for completed programs and programs in progress present additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards presents additional analysis 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 and is not a required part of the financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2017, on our consideration of OKI's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 OKI's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in dark ink on a light-colored background.

Cincinnati, Ohio
December 15, 2017

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017
(Unaudited)**

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI) offers this narrative overview and analysis of OKI's financial performance during the fiscal year ending June 30, 2017. Please read it in conjunction with OKI's financial statements, which follow this section.

OKI AT A GLANCE

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI) is a council of local governments, business organizations and community groups committed to developing collaborative strategies to improve the quality of life and the economic vitality of the region. Formed in 1964, OKI has spent over 50 years cultivating partnerships and alliances that range from the federal government to local councils. Its 117 members represent governmental, social and civic groups from nearly 200 communities in the eight-county, three-state region.

OKI works collaboratively with stakeholders to solve interstate dilemmas, create far-reaching development plans, break through political bureaucracy, provide services to the public and advocate for federal funding.

OKI has final authority over all federal dollars spent on surface transportation in the region. Each year, OKI approves roughly \$40 million in funding for projects in the region.

ACTIVITIES AND PROJECTS

While OKI's primary mission has been transportation, its responsibilities are not confined to just highways and pavement.

OKI Projects include...

Brent Spence Bridge Corridor

OKI is dedicated to seeing this \$2.6 billion dollar project built and the sooner, the better. While the bridge is not in danger of falling down, it is functionally obsolete and does not meet current capacity needs and design standards. The new and refurbished existing bridge along with eight miles of expanded and improved Interstate 75 will increase travel efficiency and safety on one of the nation's busiest surface trade corridors.



Bright 74 Study

This year OKI has completed a planning study that identified multi-modal transportation needs, developed conceptual solutions and evaluated improvement alternatives for the unincorporated Bright Area of northeastern Dearborn County, Indiana. The Bright 74 Study investigated options for improvements to existing roadways, potential new roadways, and a combination of both to improve safety, access and other travel needs between the Bright Area and Interstate 74.



Western Hills Viaduct

Cincinnati's gateway to the West Side, the Western Hills Viaduct is a half-mile, double-decked bridge spanning the Queen City rail yard, connecting several major roadways and has a water main built into it. The viaduct is considered the most decrepit bridge in the region with Federal inspectors declaring it structurally deficient. It is part of the region's multimodal, integrated transportation system and any future update will accommodate Bus Rapid Transit. The viaduct carries almost 71,000 vehicles a day and is 85 years old.



Boone County Transportation Plan

OKI began work on an update to the Boone County Transportation Plan. Originally developed in 1996 and updated in 2005. These plans lead to successful implementation of several improvements to the transportation network including Aero Parkway and elements of the KY 237 and KY 536 corridors. This update is needed to be able to continue to respond to the impacts of continued rapid growth and development in Boone County



Regional Infrastructure Improvement Zones

OKI is working with Congress on legislation to change federal law and allow tax deductions for private sector investment in infrastructure projects. This innovative solution leverages federal and state funds, while benefiting communities and keeping people, businesses and the economy growing and moving.



Riverfront Commons

Working with Kentucky's Southbank Partners to develop a pedestrian/bicycle trail to connect the cities of Ludlow, Covington, Newport, Bellevue, Dayton and Fort Thomas. Riverfront Commons will be an integrated, continuous public corridor of multi-use trails, plazas, overlooks, parks and event venues that link six of Northern Kentucky's communities.



Freight

Our region is a major link in America's freight transportation network. Upwards of 323 million tons of freight moves through the region annually. OKI's comprehensive freight plan includes multi-modal improvements to enhance the region's freight transportation system.



New MLK/I-71 Interchange

Construction began on a new interchange from I-71 into Uptown in the summer 2014. OKI led the initial study resulting in the new interchange that will help unleash more than \$1 billion in new development for the region's second largest economic engine. The OKI Board reaffirmed its commitment to the project in late 2013 by approving an innovative funding arrangement with Ohio's State Infrastructure Bank.



Solar Ready

OKI partnered with 10 regional planning councils across the country in streamlining local government permitting and planning processes, exploring financing options and identifying other best practices to better facilitate the installation of solar energy. In addition, OKI developed a solar map to provide general information about the estimated annual solar energy potential on building rooftops in the OKI region.



Urban and Community U.S. Forestry Challenge

OKI and a team of national partners are developing a guide for local decision-makers to use as a resource for promoting, facilitating and increasing the use of trees for storm water management. This guide will help to overcome barriers for managing stormwater by providing a practical tool that informs local governments of options and best practices for including trees in stormwater facility regulations and policies.



The Coordinated Public Transit

Human Services Transportation Plan (Coordinated Plan) is a unified, comprehensive strategy for public transportation service delivery that identifies the transportation needs of seniors and individuals with disabilities; lays out strategies for meeting these needs; and prioritizes services for these target populations.



Policy of Inclusion and Participation

Title VI and Environmental Justice programs ensure the inclusion of minority, low income, disabled, elderly and zero-car households in its transportation planning process.



FINANCIAL HIGHLIGHTS

During fiscal year 2017:

- OKI began a partnership with the Greater Cincinnati Energy Alliance to undertake a 3 year \$500,000 project funded by the Duke Class Benefit Fund to complete eight (8) energy efficiency plans with municipal entities (all but the City of Cincinnati) in the Southwest Ohio counties that are members of OKI. Consistent with OKI's strategic plan, OKI will create and share a template (or other comparable guide) for municipalities to use in creating energy efficiency plans.
- OKI continued six partnerships with counties and organizations within the region to implement the Fiscal Impact Analysis Model (FIAM). These partnerships will continue into fiscal year 2018, providing \$12,500 in local match for fiscal year 2018 model activities. OKI will continue to follow up with communities that have expressed an interest in becoming new partners.
- OKI continued executing partnership agreements with advertising outlets to provide value added services as match for the Clean Air and RideShare programs. The value of these services was used as match for the Kentucky share of these programs. Currently the Ohio share of these programs does not require match. ODOT provides 100% funding for RideShare and toll revenue credits as match for Clean Air. During fiscal year 2017 the RideShare Program received \$18,700 in contributed services and the Clean Air Program received \$26,296 in contributed services.
- Total assets exceeded liabilities as of June 30, 2017 by \$1,119,214, an increase of \$26,749 from June 30, 2016. The goal of OKI is to provide the maximum level of service to Council members within available funding, while maintaining net position of around \$1,000,000.
- OKI had operating revenues of \$5,459,553 and operating expenses of \$5,432,804, resulting in operating income of \$26,749. Contributed services in excess of match required by programs and grants totaled \$18,746.

USING THIS ANNUAL REPORT

The following is a list of the basic financial statements included in this report:

Management Discussion and Analysis
Basic Financial Statements:
Statement of Net Position
Statement of Revenues, Expenses and Changes in Net Position
Statement of Cash Flows
Notes to the Financial Statements

OKI is a single enterprise fund using proprietary fund accounting, which means these statements are presented in a manner similar to private-sector business. The statements are presented using economic resource management focus and the accrual basis of accounting. The statements are designed to provide readers with a broad overview of OKI's finances.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position

Our analysis of OKI as a whole begins here. One of the most important questions asked about OKI's finances is "Is OKI as a whole better off as a result of the year's activities?". As net position increased by \$26,749, we feel that the financial position of OKI continues to be secure. Over the past few years, at the direction of the Board, OKI has increased its net position to assist with day to day cash flow and in anticipation of future activities requiring local match. Net position is currently at the level desired by the Board.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about OKI as a whole and about its activities in a way that helps answer this question. These statements include all the assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accruals of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report OKI's net position and changes to it. One can think of OKI's net position, the difference between assets (what OKI owns) and liabilities (what OKI owes), as one way to measure OKI's financial health, or financial position. Over time, increases or decreases in OKI's net position are one indicator of whether its financial health is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Position measures the success of operations over the past year and can be used to determine whether OKI has successfully recovered all the costs through member contribution, federal, state of Ohio, state of Kentucky, state of Indiana, local reimbursements, and other revenues.

In addition to the results of operating activities, one needs to consider other nonfinancial factors such as prevailing economic conditions, growth or decline in population, and new or changed legislation as contributing to the net change in position.

Statement of Cash Flows

The Statement of Cash Flows provides information about OKI's cash receipts and cash payments during the year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, capital and related financing activities and investing activities.

These financial statements can be found on pages 15 through 17 of this report.

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The notes can be found starting on page 18 of this report.

FINANCIAL ANALYSIS OF OKI

STATEMENT OF NET POSITION

The following table represents condensed statements of net position.

Statement of Net Position (\$ in Thousands)

	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Current assets	\$2,022	\$1,807	\$1,904
Capital assets, net	<u>53</u>	<u>63</u>	<u>61</u>
Total assets	<u>2,075</u>	<u>1,870</u>	<u>1,965</u>
Current liabilities	842	677	802
Non-current liabilities	<u>114</u>	<u>101</u>	<u>99</u>
Total liabilities	<u>956</u>	<u>778</u>	<u>901</u>
Net position:			
Net investment in capital assets	53	63	61
Unrestricted	<u>1,066</u>	<u>1,029</u>	<u>1,003</u>
Total net position	<u>\$1,119</u>	<u>\$1,092</u>	<u>\$1,064</u>

Current assets increased by \$215k, or 11.9%, in 2017 due to an increase in accounts receivable related to the Boone County Transportation Plan update combined with an increase in cash. In 2016 current assets decreased by \$97k, or 5.1%, due to a decrease in accounts receivable related to completion of the Kentucky 536 scoping study and the Bicycle/Pedestrian Pilot program combined with a decrease in cash.

Capital assets decreased by \$10k, or 15.9%, in 2017 due to the purchase of \$16k in computers and network equipment offset by depreciation of existing equipment. In 2016 capital assets increased by \$2k, or 3.3%, due to the purchase of \$27k in network equipment offset by depreciation of existing equipment and disposal of an obsolete phone system in-service since fiscal year 1999.

Current liabilities increased by \$165k, or 24.4%, in 2017 due to an increase in open payables related to the purchase of transportation model data and increased activities in the FIAM and 5310 projects combined with an increase in unearned revenues associated with an advance received from the Duke Class Benefit Fund. In 2016 current liabilities decreased by \$125k, or 15.6%, due to a decrease in open payables related to completion of the Kentucky 536 scoping study and the traffic data collection project; a decrease in leave liabilities due to two staff retiring during the year; and a decrease in unearned revenues associated with completion of the American Planning Association Plan4Health project.

Non-current liabilities increased by \$13k, or 12.9%, in 2017 due to a decrease in vacation leave usage in fiscal 2017 resulting in higher leave balances at the end of the year. In 2016 non-current liabilities increased by \$2k, or 2.0%, due to a net decrease in vacation leave usage in fiscal 2016. The overall increase in leave expense is attributable to leave payouts for the retirement of two long term employees.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints or legal requirements – increased by \$37k, or 3.6%, in 2017 due to effective management of local water, regional planning, and general and administrative activities combined with timing of current projects. In 2016 unrestricted net position increased by \$26k, or 2.6%, due to effective management of local water and regional planning activities combined with timing of current projects.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following table reflects the Statements of Revenues, Expenses, and Changes in Net Position.

Statement of Revenues, Expenses and Changes in Fund Net Position (\$ in Thousands)

Operating revenues	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Federal and state	\$4,281	\$4,495	\$4,332
State, local and county matching	1,039	1,104	980
Other revenue	56	53	6
Contributed services	<u>84</u>	<u>75</u>	<u>288</u>
Total operating revenue	<u>5,460</u>	<u>5,727</u>	<u>5,606</u>
Operating expenses			
Salaries and wages	2,438	2,456	2,365
Fringe benefits	1,091	1,116	1,134
Travel, subsistence and professional development	138	118	123
Printing, marketing and contractual	973	1,192	1,092
Depreciation	26	24	18
Other expenses	683	718	693
Contributed services	<u>84</u>	<u>75</u>	<u>288</u>
Total operating expenses	<u>5,433</u>	<u>5,699</u>	<u>5,713</u>
Operating income	<u>27</u>	<u>28</u>	<u>(107)</u>
Non-operating revenues (expenses)			
Contributed services	19	68	302
Contributed marketing	<u>(19)</u>	<u>(68)</u>	<u>(302)</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	27	28	(107)
Net position, beginning of year	<u>1,092</u>	<u>1,064</u>	<u>1,171</u>
Net position, end of year	<u>\$1,119</u>	<u>\$1,092</u>	<u>\$1,064</u>

Operating revenues decreased by 4.7% from 2016 to 2017 due to a decrease in federal and state revenues associated with completion of the APA Plan4Health and Bright 74 projects, as well as reduced planning activities due to a retirement and staffing changes, offset by increased FIAM and Forestry project activities; combined with a decrease in local revenues associated with HCEMA activities and an increase in contributed services revenue related to increased Forestry project activities.

Operating revenues increased by 2.2% from 2015 to 2016 due to an increase in federal and state revenues associated with the Long Range Plan update, combined with addition of the Bright 74 study and the US Forestry project for integrating trees into stormwater management offset by completion of the American Planning Association Plan4Health project and KY 536 study; combined with an increase in local revenues associated with HCEMA activities and decreased contributed services revenue related to New Freedom pass through activity levels.

Operating expenses decreased by 4.7% from 2016 to 2017 due to a decrease in printing, marketing and contractual expenses related to completion of the APA Plan4Health, KY 536, and ITS Architecture projects, no traffic count contract, and reduced activities in the Bright 74 study, offset by increased activities in FTA, Forestry, and FIAM projects, plus the commencement of the Establishment Survey and the Boone County Transportation Plan update; combined with an increase in contributed services expense related to increased Forestry project activities.

Operating expenses decreased by 0.2% from 2015 to 2016. Contributed services decreased related to New Freedom pass through activity levels combined with a decrease in fringe benefits associated with lower leave liability adjustments due to two staff retirements; offset by a board approved 3.25% merit increase in salaries, an increase in printing marketing and contractual related to completion of traffic counts, and an increase in other expenses due to increased legal fees and increased meeting expenses relate to the timing of OKI's annual meeting.

Contributed services in excess of required match decreased by 72.1% from 2016 to 2017 due to continued difficulties obtaining public service announcements because of increased demand for air time related to political campaigns.

Contributed services in excess of required match decreased by 77.5% from 2015 to 2016 due to difficulties obtaining public service announcements because of increased demand for air time related to political campaigns, combined with changes in representatives at media outlets causing some partnerships to not be able to be renegotiated this year.

BUDGET VS ACTUAL INFORMATION

The following table reflects a budget to actual comparison.

BUDGET VS ACTUAL (\$ in Thousands)

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Operating revenues			
Federal and state	\$4,281	\$4,615	\$ (334)
State, local and county matching	1,039	1,089	(50)
Other revenue	56	53	3
Contributed services	<u>84</u>	<u>107</u>	<u>(23)</u>
Total operating revenue	<u>5,460</u>	<u>5,864</u>	<u>(404)</u>
Operating expenses			
Salaries and wages	2,438	2,454	16
Fringe benefits	1,091	1,231	140
Travel, subsistence and professional development	138	169	31
Printing, marketing and contractual	973	1,199	226
Other expenses	709	724	15
Contributed services	<u>84</u>	<u>107</u>	<u>23</u>
Total operating expenses	<u>5,433</u>	<u>5,884</u>	<u>451</u>
Non-operating revenues (expenses)			
Contributed services	19	141	(122)
Contributed marketing	<u>(19)</u>	<u>(141)</u>	<u>122</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	27	(20)	47
Net position, beginning of year	<u>1,092</u>	<u>1,092</u>	<u>-</u>
Net position, end of year	<u>\$1,119</u>	<u>\$1,072</u>	<u>\$ 47</u>

Operating revenues were 93.1% of budget which is on budget. Federal and state revenues were lower than budgeted due to FTA New Freedom pass-through projects progressing slower than budgeted. Other revenues were ahead of budget due to interest earned and annual meeting revenues higher than anticipated. Contributed services revenues were lower than budgeted due to FTA New Freedom pass-through funded projects progressing slower than budgeted.

Operating expenses were at 92.3% of budget, which is on budget. Fringe benefit expenses were under budget due to savings experienced on health insurance renewals and lower than budgeted leave variance and liability adjustments due to an unbudgeted leave payout for an employee who retired during the year. Travel and professional development expenses were lower than budget due to a realignment of Forestry project activities, several professional development opportunities budgeted but not taken, and lower than budgeted board travel. Printing, marketing and contractual expenses were under budget due to timing of the Boone County study and savings on travel model data purchases. Contributed services expenses were lower than budgeted due to FTA New Freedom pass-through funded projects progressing slower than budgeted.

In fiscal year 2017, OKI was able to stay just under budget due to careful management of local regional planning, local water, and general and administrative non-federal activities resulting in the \$27k addition to net position rather than the budgeted decrease in net position.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2017, 2016 and 2015, OKI's capital assets are reflected in the following schedule.

CAPITAL ASSETS (\$ in Thousands)

	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Office furniture and equipment	\$ 629	\$ 631	\$ 638
Accumulated depreciation	<u>(576)</u>	<u>(568)</u>	<u>(577)</u>
Total	<u>\$ 53</u>	<u>\$ 63</u>	<u>\$ 61</u>

Net capital assets decreased during fiscal year 2017 primarily due to the purchase of \$16k in computers and network equipment offset by depreciation of existing equipment. An ESX server and updated switches for the network were purchased.

Net capital assets increased during fiscal year 2016 primarily due to the purchase of \$27k in network servers offset by depreciation of existing equipment and disposal of obsolete office equipment. A Dell Power Edge ESX server, a Dell Power Edge backup server, and a new server for the transportation model were purchased and the obsolete phone system in service since 1999 was disposed.

Additional information on OKI's capital assets can be found in Note 5.

Debt

OKI maintains an \$850,000 bank line of credit if needed. The line of credit was not used during fiscal year 2017.

Additional information on OKI's bank line of credit can be found in Note 6.

ECONOMIC CONDITIONS

OKI considered many factors when setting the fiscal year 2017 budget, including funding from federal and state agencies, the eight counties supporting the council and program demands from the member agencies.

OKI continues to rely on federal and state grants, local program grants, special studies, and other local projects to fund its many programs. At present, federal and state funding sources are secure; however, legislative action can affect both revenue streams. The eight counties that comprise the region are contributing funding for local match and OKI's administrative costs based on each county's population at a per capita rate of \$0.33. This per capita rate has been unchanged since fiscal 2000.

The region's population and economy have grown in recent years and there are many developments occurring throughout the counties that should continue this trend. To achieve this growth, the transportation assets of the region must continue to be addressed. Chief among these is the Brent Spence Bridge project that links the region's jobs and communities. OKI continues to work closely with the business community, the Kentucky Transportation Cabinet and the Ohio Department of Transportation to develop strategies for the replacement of this vital river crossing.

On December 4, 2015, President Obama signed the Fixing America's Surface Transportation (FAST) Act (Pub. L. No. 114-94) into law, the first federal law in over a decade to provide long-term funding certainty for surface transportation infrastructure planning and investment. The FAST Act authorizes \$305 billion over fiscal years 2016 through 2020 for highway, highway and motor vehicle safety, public transportation, motor carrier safety, hazardous materials safety, rail, and research, technology, and statistics programs. The FAST Act maintains our focus on safety, keeps intact the established structure of the various highway-related programs we manage, continues efforts to streamline project delivery and, for the first time, provides a dedicated source of federal dollars for freight projects. With the enactment of the FAST Act, states and local governments are now moving forward with critical transportation projects with the confidence that they will have a federal partner over the long term. It is prudent for OKI to develop its operating plan based on level funding.

CONTACTING OKI

This financial report is designed to provide federal and state oversight agencies, taxpayers, and creditors with a general overview of OKI's finances and to demonstrate OKI's accountability for the money it receives. Additional financial information can be obtained by contacting the Director of Finance, Ohio-Kentucky-Indiana Regional Council of Governments, 720 E. Pete Rose Way, Suite 420, Cincinnati, OH 45202.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF NET POSITION
JUNE 30, 2017 AND 2016

ASSETS		<u>2017</u>	<u>2016</u>
CURRENT ASSETS:			
Cash and cash equivalents		\$ 903,262	\$ 794,917
Accounts receivable		1,085,873	986,317
Prepaid expenses		<u>33,123</u>	<u>25,829</u>
TOTAL CURRENT ASSETS		<u>2,022,258</u>	<u>1,807,063</u>
NONCURRENT ASSETS:			
Capital assets, net		<u>53,364</u>	<u>63,238</u>
TOTAL NONCURRENT ASSETS		<u>53,364</u>	<u>63,238</u>
TOTAL ASSETS		<u>2,075,622</u>	<u>1,870,301</u>
LIABILITIES			
CURRENT LIABILITIES:			
Accounts payable		339,283	192,033
Accrued expenses		105,458	94,205
Compensated absences		202,282	215,143
Unearned revenue		<u>194,819</u>	<u>175,497</u>
TOTAL CURRENT LIABILITIES		<u>841,842</u>	<u>676,878</u>
NONCURRENT LIABILITIES			
Compensated absences		<u>114,566</u>	<u>100,958</u>
TOTAL NONCURRENT LIABILITIES		<u>114,566</u>	<u>100,958</u>
TOTAL LIABILITIES		<u>956,408</u>	<u>777,836</u>
NET POSITION			
Net investment in capital assets		53,364	63,238
Unrestricted		<u>1,065,850</u>	<u>1,029,227</u>
TOTAL NET POSITION		<u>\$ 1,119,214</u>	<u>\$ 1,092,465</u>

See accompanying notes to the financial statements.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
OPERATING REVENUES:		
Federal and state grants	\$ 4,281,429	\$ 4,495,113
State, local and county matching funds	1,038,602	1,104,382
Other revenues	55,731	52,562
Contributed services	83,791	75,455
Total Operating Revenues	5,459,553	5,727,512
OPERATING EXPENSES:		
Direct expenses		
Personnel	1,414,505	1,451,012
Fringe benefits	1,017,024	1,049,157
Travel, subsistence and professional	110,928	95,689
Printing, marketing and contractual	923,612	1,138,761
Other direct expenses	74,366	109,226
Indirect costs	1,808,578	1,780,082
Contributed services	83,791	75,455
Total Operating Expenses	5,432,804	5,699,382
OPERATING INCOME	26,749	28,130
NON-OPERATING REVENUES (EXPENSES):		
Contributed services revenues	18,746	67,549
Contributed services expenses	(18,746)	(67,549)
Total Non-operating Revenues (Expenses)	-	-
CHANGE IN NET POSITION	26,749	28,130
Net Position Beginning of Year	1,092,465	1,064,335
Net Position End of Year	\$ 1,119,214	\$ 1,092,465

See accompanying notes to the financial statements.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash flows from operating activities:		
Receipts from federal and state grants	\$ 4,163,885	\$ 4,523,757
Receipts from local grants and matching funds	1,131,882	1,111,841
Payments to employees	(3,517,494)	(3,561,049)
Payments to suppliers	(1,654,136)	(2,106,580)
Net cash provided by (used for) operating activities	124,137	(32,031)
Cash flows from capital related activities:		
Purchase of fixed assets	(15,792)	(26,320)
Net cash provided by (used for) capital financing activities	(15,792)	(26,320)
Net increase (decrease) in cash and cash equivalents	108,345	(58,351)
Cash and cash equivalents at beginning of year	794,917	853,268
Cash and cash equivalents at end of year	\$ 903,262	\$ 794,917
Reconciliation of operating income to net cash used for operating activities:		
Operating income	\$ 26,749	\$ 28,130
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	25,666	24,244
Changes in assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable	(99,556)	34,795
Prepaid expenses	(7,294)	4,229
Increase (Decrease) in:		
Accounts payable	147,250	(83,175)
Accrued expenses	11,253	22,778
Unearned revenue	19,322	(52,244)
Compensated absences	747	(10,788)
Net cash provided by (used for) operating activities	\$ 124,137	\$ (32,031)

See accompanying notes to the financial statements.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

1. DESCRIPTION OF THE ENTITY

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI), organized under Chapter 167 of the Ohio Revised Code, assists in coordinating area-wide planning of transportation, economic development, water and air quality, and other aspects of regional development. In addition, OKI coordinates a regional ridesharing program funded by federal funds and contributed services.

OKI also acts as the area-wide review agency on state and local applications for U.S. Government financial assistance on projects located in the regional area comprised of Butler, Clermont, Hamilton, and Warren Counties in Ohio; Boone, Campbell, and Kenton Counties in Kentucky; and Dearborn County in Indiana. Funds are provided primarily by federal, state, and local government agencies.

The reporting entity for OKI has been defined in accordance with GASB Statement No. 14, "*The Financial Reporting Entity*" as amended by GASB Statement No. 39 "*Determining Whether Certain Organizations Are Component Units*" and GASB Statement No. 61, "*The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and No. 34*". The reporting entity can be composed of the primary government, component units and other organizations that are included to ensure that the basic financial statements of OKI are not misleading. On this basis, no governmental organizations or agencies other than OKI itself are included in the financial reporting entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) have been prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of OKI's accounting policies are described below.

Basis of Presentation

OKI's financial statements consist of a statement of net position, a statement of revenue, expenses and changes in net position, and a statement of cash flows.

Fund Accounting

OKI maintains its accounting records in accordance with the principles of "fund" accounting. Fund accounting is a concept developed to meet the needs of government entities in which legal or other restraints require the recording of specific revenues and expenses. OKI uses a single enterprise fund to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of OKI is that the costs of providing goods or services to its member governments on a continuing basis be financed or recovered primarily through federal and state operating grants and through member government charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for public policy, management control, accountability or other purposes.

Basis of Accounting

Enterprise fund transactions are recorded on the accrual basis of accounting; revenues are recognized when earned and measurable and expenses are recognized as incurred.

Measurement Focus

Enterprise funds are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how OKI finances and meets the cash flow needs of its enterprise activity.

Cash and Cash Equivalents

Investments with an original maturity of three months or less at the time they are purchased are presented on the financial statements within cash and cash equivalents. Investments with an initial maturity of more than three months, if applicable, are reported as investments.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively.

During 2017, OKI invested in STAR Ohio. STAR Ohio (the State Treasury Asset Reserve of Ohio), is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but has adopted Governmental Accounting Standards Board (GASB), Statement No. 79, "Certain External Investment Pools and Pool Participants." OKI measures their investment in STAR Ohio at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

For 2017, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

For purposes of the statement of cash flows, investments with an original maturity of three months or less at the time they are purchased are considered cash equivalents.

Accounts Receivable

Accounts receivable consist mainly of amounts due from various funding agencies for program costs incurred that have not been reimbursed at year-end. Management considers all accounts receivable to be collectable in full.

Prepaid Items

Payments made to vendors for services that will benefit beyond year-end are reported as prepaid items via the consumption method.

Capital Assets

Capital assets with a cost of \$5,000 or greater are capitalized and are depreciated on the straight-line method over the asset's estimated useful life. OKI's capital assets consist primarily of office furniture and computers. OKI depreciates office furniture and equipment over a ten year period with one-half year depreciation taken in the year of purchase and disposal. Computers are depreciated over a three year period beginning in the month of purchase.

Compensated Absences

OKI reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that OKI will compensate the employees for the benefits through paid time off or other means, such as a cash payment at termination or retirement. Sick leave benefits are accrued as a liability using the vesting method. The sick leave liability is based on the 25% of sick leave balances accumulated at year end for those employees with at least 20 years of employment and age 55.

Unearned Revenue

Cash received under grants and contracts for which applicable services have not been performed are recorded as unearned revenue in the statement of net position.

Net Position

Net position represents the difference between assets and liabilities.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowings that have been used for the acquisition, construction or improvement of those assets.

Revenues and Expenses

OKI distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses result from grants or contracts for the reimbursement of eligible operating costs incurred up to the maximum amounts specified under the grants or contract commitments. Operating revenues also include local matching funds, including member county supporting contributions and in-kind contributions from other agencies, to the extent required to fund program costs or to meet program matching requirements. All revenues and expenses not meeting this definition, including contributed services in excess of program matching requirements, are reported as non-operating revenues and expenses.

Tax Status

OKI is qualified by the Internal Revenue Service under Section 501(c)(3) and thus exempted from the payment of income taxes.

Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. DEPOSITS AND INVESTMENTS

State statutes classify monies held by OKI into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the OKI treasury. Active monies must be maintained either as cash in the OKI treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that OKI management has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories. Interim monies can be deposited or invested in accordance with ORC Section 135.14.

OKI maintains a written investment policy and has designated STAR Ohio as the primary depository for excess funds.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, OKI will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$111,216 of OKI's bank balance of \$361,216 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject OKI to a successful claim by the FDIC.

OKI has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with OKI or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

As of June 30, 2017, OKI had the following investments:

	<u>Carrying Amount</u>	<u>Maturity</u>
STAR Ohio	<u>\$554,834</u>	Average 45.5 Days
Total Investments	<u>\$554,834</u>	

Interest Rate Risk: Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. OKI's investment policy addresses interest rate risk by requiring OKI's investment portfolio be structured so that securities mature to meet cash requirements for ongoing operations and/or long-term debt payments, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in short-term investments.

Credit Risk: STAR Ohio carries a rating of AAAM by Standard and Poor's. OKI has no investment policy dealing with investment credit risk beyond the requirements in state statutes. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market fund be rated in the highest category at the time of purchase by at least one nationally recognized standard rating service.

Concentration of Credit Risk: STAR Ohio represents 100% of OKI's investments at June 30, 2017.

A reconciliation of Cash, cash equivalents and investments is as follows:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>
Per Statement of Net Position	\$903,262	\$ 0
STAR Ohio	<u>(554,834)</u>	<u>554,834</u>
Per Details Presented Above	<u>\$348,428</u>	<u>\$554,834</u>

4. ACCOUNTS RECEIVABLE

Accounts receivable are from federal, state and local governmental agencies. Amounts reported are as follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Receivables Under Contracts and Grants		
Federal	\$ 38,503	\$ 46,039
Ohio	816,013	709,571
Kentucky	205,464	124,216
Indiana	17,081	60,369
Local and County	8,573	45,103
Receivables Other	<u>239</u>	<u>1,019</u>
Total Receivables	<u>\$1,085,873</u>	<u>\$ 986,317</u>

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5. CAPITAL ASSETS

Changes in capital assets for the year that ended June 30, 2017 are summarized below:

<u>Description</u>	Balance			Balance
	<u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
Office furniture and equipment	\$ 630,880	\$ 15,792	\$(17,065)	\$ 629,607
Less: accumulated depreciation	<u>(567,642)</u>	<u>(25,666)*</u>	<u>17,065</u>	<u>(576,243)</u>
Furniture and Equipment net	<u>\$ 63,238</u>	<u>\$ (9,874)</u>	<u>\$ -</u>	<u>\$ 53,364</u>

*Depreciation expense of \$22,726 was charged to the indirect cost pool and \$2,940 was charged directly to general and administrative activities, as directed by ODOT Office of Audits.

Changes in capital assets for the year that ended June 30, 2016 are summarized below:

<u>Description</u>	Balance			Balance
	<u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>
Office furniture and equipment	\$ 638,358	\$ 26,320	\$(33,798)	\$ 630,880
Less: accumulated depreciation	<u>(577,196)</u>	<u>(24,244)*</u>	<u>33,798</u>	<u>(567,642)</u>
Furniture and Equipment net	<u>\$ 61,162</u>	<u>\$ 2,076</u>	<u>\$ -</u>	<u>\$ 63,238</u>

* Depreciation expense of \$21,563 was charged to the indirect cost pool and \$2,681 was charged directly to general and administrative activities, as directed by ODOT Office of Audits.

6. BANK LINE OF CREDIT

OKI has a line of credit available of \$850,000. When used, the line of credit is collateralized by the working capital of OKI and bears interest at the prime rate less one-half percent. At June 30, 2017 and 2016, OKI had no borrowings against this line of credit.

7. COMPENSATED ABSENCES

Changes in compensated absences for the year that ended June 30, 2017 are summarized below:

Balance			Balance	Due
<u>July 1, 2016</u>	<u>Entitlements</u>	<u>Usage</u>	<u>June 30, 2017</u>	<u>Within One Year</u>
<u>\$316,101</u>	<u>\$379,100</u>	<u>\$(378,353)</u>	<u>\$316,848</u>	<u>\$202,282</u>

Changes in compensated absences for the year that ended June 30, 2016 are summarized below:

Balance			Balance	Due
<u>July 1, 2015</u>	<u>Entitlements</u>	<u>Usage</u>	<u>June 30, 2016</u>	<u>Within One Year</u>
<u>\$326,889</u>	<u>\$354,287</u>	<u>\$(365,075)</u>	<u>\$316,101</u>	<u>\$215,143</u>

8. LEASE COMMITMENTS

OKI has an operating lease agreement for office facilities. The base annual lease amount is \$403,800. This amount cannot be increased through June 30, 2018, but is subject to annual escalators that are based on landlord cost and occupancy formulas. These escalators are cumulative in nature. Total

rental expense (base lease plus escalators) was \$433,882 and \$438,688 for the years ended June 30, 2017 and 2016, respectively.

9. EMPLOYEE RETIREMENT

OKI By-Laws, Article IX – Employee Retirement Plan – Social Security, authorizes the Executive Committee of OKI to establish a retirement plan for employees in writing and qualified under Section 401 of Internal Revenue Service Code of 1954. The plan is to provide for contributions by OKI and may condition participation by an employee of his or her contribution to the plan. The By-Laws direct the Executive Committee to establish a trust for the funding of the plan and to appoint a private banking institution or other organization qualified by the Internal Revenue Service to serve as Director or custodian of a Section 401 plan.

The By-Laws state that administration of the retirement plan shall be vested in a Retirement Plan Administrative Committee. The committee will consist of the President, Treasurer, Executive Director, Fiscal Officer, and two full-time employees of OKI. Employee committee members are elected by secret ballot of all retirement plan participants and shall serve for one year. The Executive Director designates the time and conducts the election of committee members.

The By-Laws also direct OKI to enter into an agreement with the Secretary of Health and Human Services to provide coverage of OKI's employees under the Social Security system. This coverage is to supplement any retirement plan adopted according to the previous paragraphs.

The OKI Employees Retirement Plan is a trusted, contributory, defined contribution retirement plan covering all permanent full-time employees.

Through December 31, 2008, OKI's Employees' retirement plan consisted of a 401(a) plan. Contributions to the plan included a contribution by OKI of 6.9% of the participant's wages and a mandatory contribution by the participant of 5% of his or her wages.

OKI considers various factors in determining employee and employer contribution rates. These factors include overall budgetary constraints, budget committee direction as well as industry standards and comparative rates of other pension plans utilized by member counties. Based on these considerations, the Board approved changes to OKI's Employees Retirement Plan. Effective January 1, 2009, the retirement plan has two components, a mandatory 401(a) and a voluntary 403(b). Eligible employees are required to contribute 6% to the 401(a) plan and OKI matches 10%. Eligible employees may contribute additional funds to the 403(b) plan. OKI matches up to 4% on the first 3% of employee contributions.

During 2017, both employee and employer contributions are 100 percent vested at the date of contribution.

For the 401(a), OKI is the Plan Administrator. The corporate trustee is Central Bank & Trust. For the ERISA 403(b), CUNA Mutual Retirement Solutions is the third party administrator and Matrix Capital Bank & Trust is the custodian. UBS serves as investment advisor and also provides employee education for both Plans.

Pension expense was \$325,978 and \$309,299 for the years ended June 30, 2017 and 2016, respectively, of which the full amount has been contributed during each year. Forfeitures, when they occur, reduce the current contributions of OKI to the plan. In fiscal years 2017 and 2016 there were no forfeitures.

10. RISK MANAGEMENT

OKI maintains commercial insurance coverage against most normal hazards and there has been no significant reduction in coverage from the prior year. Settlement claims have not exceeded coverage for any of the last three fiscal years.

OKI participates in the State of Ohio's Workers' Compensation program under which premiums paid are based on a rate per \$100 of payroll. The rate is determined based on accident history. OKI also carries workers' compensation insurance in Kentucky through Kentucky Employers' Mutual Insurance based on the portion of payroll related to work activities in Kentucky.

OKI has a premium based HDHP for employee health insurance coverage. OKI makes contributions to employee HSA accounts in accordance with the approved agency budget. Premium expense for 2017 and 2016 was \$436,616 and \$493,867, respectively.

11. CONTRIBUTED SERVICES

Contributed services are valued at the equivalent OKI hourly pay rate for such services for the amount of hours spent by individuals involved. In-kind contributions are valued at the fair market price on the date of receipt. The following projects received contributed services:

The Clean Air (Ozone Awareness) and RideShare programs partner with local advertising outlets, some of which provide value added services as match for the programs. Services can be air time, print ads, or promotional items to be given away at events. The amount of contributed services was \$44,996 (\$18,746 in excess of required match) and \$93,817 (\$67,549 in excess of required match) for the years ended June 30, 2017 and 2016, respectively.

The New Freedom Pass-Through program received contributed services in the form of partner activities in support of the projects per the grant agreements. The amount of the contributed services was \$7,612 for the year ended June 30, 2017 and \$13,088 for the year ended June 30, 2016.

The Integrating Trees into Stormwater Management Design and Policy program received contributed services in the form of sub-grantee and stakeholder participation in support of the project per OKI's agreement with US Forestry and sub-grant agreements executed with NARC, Centerline, and Davey Trees. The amount of the contributed services was \$49,929 for the year ended June 30, 2017 and \$34,318 for the year ended June 30, 2016.

12. INDIRECT COSTS

During the year, indirect costs and fringe benefits are charged to individual programs based on provisional rates. Differences in amounts billed and actual costs incurred are adjusted to actual costs at year end. Indirect costs and fringe benefits in the Statement of Revenues, Expenses, and Changes in Net Position represent the application of actual indirect and fringe benefit rates to programs and general and administrative operations.

13. CONTINGENT LIABILITIES

Amounts grantor agencies pay to OKI are subject to audit and adjustment by the grantor, principally the federal government. Grantors may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

SUPPLEMENTARY INFORMATION

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES AND EXPENSES BY ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2017
(with comparative summary total for 2016)

	General & Administrative Activities	Environmental Planning Activities	Regional Planning	Ridesharing Implementation	Transportation Planning Activities	Total 2017	Total 2016
Operating Revenues:							
Federal & state grants	\$ -	\$ 233,542	\$ -	\$ 202,735	\$ 3,845,152	\$ 4,281,429	\$ 4,495,113
State, local and county matching funds	89,715	125,826	34,823	-	788,238	1,038,602	1,104,382
Other revenue	55,731	-	-	-	-	55,731	52,562
Contributed services	-	49,929	-	11,250	22,612	83,791	75,455
Total Operating Revenues	145,446	409,297	34,823	213,985	4,656,002	5,459,553	5,727,512
Operating Expenses:							
Direct expenses							
Personnel	14,104	91,547	11,471	19,838	1,277,545	1,414,505	1,451,012
Fringe benefits	10,141	65,820	8,248	14,264	918,551	1,017,024	1,049,157
Travel, subsistence, and professional	33,200	7,731	175	81	69,741	110,928	95,689
Printing, marketing and contractual	13,450	75,506	-	143,175	691,481	923,612	1,138,761
Other direct expenses	29,768	1,713	261	12	42,612	74,366	109,226
Indirect costs	18,034	117,051	14,668	25,365	1,633,460	1,808,578	1,780,082
Contributed services	-	49,929	-	11,250	22,612	83,791	75,455
Total Operating Expenses	118,697	409,297	34,823	213,985	4,656,002	5,432,804	5,699,382
Non Operating Revenues (Expenses):							
Contributed services revenues	-	-	-	7,450	11,296	18,746	67,549
Contributed services expenses	-	-	-	(7,450)	(11,296)	(18,746)	(67,549)
Total Non Operating Revenues (Expenses)	-	-	-	-	-	-	-
Operating Income	\$ 26,749	\$ -	\$ -	\$ -	\$ -	\$ 26,749	\$ 28,130

Notes:

1. Member counties pay dues each year based on census figures. Those dues are used to provide match for core planning projects and some special projects, as outlined in the board approved budget. Dues are also used to pay for direct expenses of OEPA projects, the local water program, the local regional planning program, and non-federal expenses recorded under the general and administrative program. When county funds used in programs exceed county funds received during the year, the result is negative net county revenues which indicates that surplus or fund balance has been used.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF FRINGE BENEFIT COST RATES
FOR THE YEAR ENDED JUNE 30, 2017**

	Budget	Actual
Fringe benefit costs:		
Holidays	\$ 92,449	\$ 91,157
Sick leave	69,605	86,960
Vacation	202,436	200,236
Administrative	9,227	3,838
Retirement	354,386	343,873
Group health	649,310	561,070
FICA	178,769	175,286
Workers compensation	5,182	3,089
Unemployment	1,200	-
Employee Incentives	1,716	7,017
	\$ 1,564,280	\$ 1,472,526
Total fringe benefit costs		
Allocation base: Direct and indirect personnel	\$ 2,114,019	\$ 2,048,029
Fringe benefit cost rate	<u>74.00%</u>	<u>71.90%</u>

Notes:

1. Approval of the fringe benefit cost rate for the year ended June 30, 2017 was obtained from ODOT, OKI's cognizant agency. The authority for ODOT to be OKI's cognizant agency was granted from the FHWA.
2. A provisional fringe benefit rate of 74.00 percent was authorized by ODOT. The provisional rate is applied each month with a thirteenth allocation made to adjust fringe costs claimed to actual at the end of the fiscal year.
3. There were no questioned costs in the fringe benefit cost pool or the direct and indirect personnel allocation base.
4. The approved provisional rate was utilized during the fiscal year 2017 for grant invoicing purposes. The final 2017 fringe benefit rate was applied for financial statement purposes and for determining the final grant amounts claimed.
5. Expenses in the Statement of Revenues, Expenditures and Changes in Net Position reflect the application of actual rates. Individual program costs presented on pages 29 through 46 reflect the application of provisional rates adjusted to actual, subject to grant/program limitations.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COST RATES
FOR THE YEAR ENDED JUNE 30, 2017

	Budget	Actual
Indirect costs:		
Personnel	\$ 634,316	633,524
Fringe benefits	469,366	455,502
Auto allowance	8,700	8,700
Travel and professional development	26,317	23,951
Memberships	3,014	2,658
Printing	900	1,111
Repairs and maintenance	21,680	17,131
Office supplies	40,852	36,986
Postage	1,856	2,304
Rent	456,492	454,500
Telephone	7,350	7,905
Professional publications	530	521
Legal and audit	46,450	52,436
Reproductions	1,605	2,528
Insurance	23,802	25,653
Professional services	48,000	39,784
Legal notices	450	860
Depreciation	24,959	22,726
Payroll processing	7,672	8,025
Internet	12,805	5,803
Retirement plan admin & education fees	4,450	3,587
Other	3,768	2,383
Total indirect costs	\$ 1,845,334	\$ 1,808,578
Allocation base: Direct personnel	\$ 1,479,703	\$ 1,414,505
Indirect cost rate applied	124.71%	127.86%

Notes:

1. Approval of the provisional indirect cost rate for the year ended June 30, 2017 was obtained from ODOT, OKI's cognizant agency. The authority for ODOT to be OKI's cognizant agency was granted from the FHWA.
2. A provisional indirect cost rate of 124.71 percent was authorized by ODOT. The provisional rate is applied each month with a thirteenth allocation made to adjust indirect costs claimed to actual at the end of the fiscal year.
3. There were no questioned costs in the indirect cost pool or the direct personnel allocation base.
4. The approved provisional rate was utilized during fiscal year 2017 for grant invoicing purposes. The final 2017 indirect cost rate was applied for financial statement purposes and for determining the final grant amounts claimed.
5. Expenses in the Statement of Revenues, Expenditures and Changes in Net Position reflect the application of actual rates. Individual program costs presented on pages 29 through 46 reflect the application of provisional rates adjusted to actual, subject to grant/program limitations.

SCHEDULES OF CUMULATIVE REVENUES AND EXPENDITURES

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OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC/INDOT
FY 2016 TRANSPORTATION PLANNING
JUNE 30, 2017

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (MPO-PL Funds)	\$ 2,194,098	\$ 1,785,879	\$ 408,219	\$ 2,194,098
Kentucky: KYTC (HPR-PL Funds)	458,400	335,122	66,405	401,527
Kentucky: KYTC (FTA Funds)	138,844	101,503	20,113	121,616
Indiana: INDOT (Trans PL Funds)	25,000	24,743	-	24,743
State matching funds Ohio	274,262	223,235	51,026	274,261
State matching funds Kentucky	28,650	20,945	4,150	25,095
County matching funds	401,171	316,532	68,507	385,039
Local contracts	85,000	63,454	-	63,454
Total Operating Revenues	3,605,425	2,871,413	618,420	3,489,833
Operating Expenses:				
Direct expenses				
Personnel	1,037,788	875,930	196,771	1,072,701
Fringe benefits	808,540	619,175	145,611	764,786
Travel, subsistence & professional	67,406	44,099	3,688	47,787
Printing, marketing & contractual	382,500	214,200	1,267	215,467
Other direct expenses	72,978	34,431	25,691	60,122
Indirect costs	1,236,213	1,083,578	245,392	1,328,970
Total Operating Expenses	3,605,425	2,871,413	618,420	3,489,833
Tasks:				
Short range planning	78,525	61,577	17,481	79,058
Transportation improvement program	126,000	107,262	22,072	129,334
Surveillance	1,575,800	1,316,622	326,927	1,643,549
Homeland security data project (100%)	85,000	62,353	-	62,353
Long range planning	1,134,668	876,519	175,937	1,052,456
Public involvement	310,150	262,441	54,756	317,197
INDOT exclusive	31,250	30,929	-	30,929
KYTC exclusive	165,282	72,657	-	72,657
UPWP administration	15,750	12,989	7,405	20,394
Transportation program reporting	9,400	8,587	261	8,848
Mobile source emissions planning	73,600	59,477	13,581	73,058
Total Tasks	\$ 3,605,425	\$ 2,871,413	\$ 618,420	\$ 3,489,833

NOTES:

- The grant period for FY 2016 Transportation Planning is July 1, 2015 through December 31, 2016.
- FHWA/ODOT/KYTC funds are received under agreements for continuation of a transportation planning process with ODOT and KYTC. Revenues were received and expenditures incurred in accordance with a unified planning work program approved each fiscal year. INDOT also participated with the funding being 80 percent Federal and 20 percent local match.
- The Hamilton County Emergency Management Agency engaged OKI to develop data sets for the exclusive use of HCEMA. This activity was funded at 100% and had no activity during FY2017.
- Due to timing differences between OH and KY funding contracts, KY revenues (PL, FTA, and state) as of June 30, 2016 are associated with FY16 KY contracts. Kentucky revenues (PL, FTA, and state) for the current fiscal year are associated with FY17 KY contracts. Please see footnote #3 on the FY 2017 Transportation Planning schedule. All are within budget.
- As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC
FY 2017 CLEAN AIR (OZONE AWARENESS)
JUNE 30, 2017

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (CMAQ)	\$ 283,098	\$ 198,730	\$ 198,730
Kentucky: KYTC (SNK)	60,000	42,119	42,119
Contributed services	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Total Operating Revenues	<u>358,098</u>	<u>255,849</u>	<u>255,849</u>
Operating Expenses:			
Direct expenses			
Personnel	34,046	8,651	8,651
Fringe benefits	25,194	6,220	6,220
Printing, marketing & contractual	238,914	212,509	212,509
Other direct expenses	2,485	2,408	2,408
Indirect costs	42,459	11,061	11,061
Contributed services	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>
Total Operating Expenses	<u>358,098</u>	<u>255,849</u>	<u>255,849</u>
Non-operating Revenues (Expenses):			
Contributed services revenues	128,281	11,296	11,296
Contributed services expenses	<u>(128,281)</u>	<u>(11,296)</u>	<u>(11,296)</u>
Total Non-operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Tasks:			
Regional Clean Air Program	<u>358,098</u>	<u>267,145</u>	<u>267,145</u>
Total Tasks	<u>\$ 358,098</u>	<u>\$ 267,145</u>	<u>\$ 267,145</u>

NOTES:

1. State grants and contracts consist of the following:
 - a. ODOT agreement for July 1, 2016 through June 30, 2017 for \$283,098 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent of Ohio's 82.5123% share of the Clean Air program. ODOT provided toll revenue credits in lieu of match.
 - b. KYTC funding agreement July 1, 2016 through June 30, 2017 for \$60,000 in KYTC/SNK. Expenses reimbursed to OKI at a participation rate of 17.4877 percent of FY2017 expenses, matched with contributed services. A minimum 20% match was required and exceeded.
2. As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC/INDOT
FY 2016 SURFACE TRANSPORTATION PROGRAM (STP) - BRIGHT 74
JUNE 30, 2017

	Budget	Cumulative Revenues and Expenditures as of June 30, 2016	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2017
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (STP)	\$ 370,386	\$ 324,318	\$ -	\$ 324,318
Kentucky: KYTC (SNK)	65,960	56,410	-	56,410
Indiana: INDOT (STP)	210,000	141,939	61,606	203,545
County matching funds	25,040	24,754	-	24,754
Local contracts	62,586	33,216	15,401	48,617
Total Operating Revenues	733,972	580,637	77,007	657,644
Operating Expenses:				
Direct expenses				
Personnel	176,403	153,596	-	153,596
Fringe benefits	137,435	111,058	-	111,058
Travel, subsistence & professional	9,167	8,204	-	8,204
Printing, marketing & contractual	200,000	118,270	77,007	195,277
Other direct expenses	836	1,080	-	1,080
Indirect costs	210,131	188,429	-	188,429
Total Operating Expenses	733,972	580,637	77,007	657,644
Tasks:				
Long range planning land use	358,538	352,416	-	352,416
Long range planning FIAM implementation	112,934	50,797	-	50,797
Bright 74 corridor study	200,000	115,286	77,007	192,293
INDOT	62,500	62,138	-	62,138
Total Tasks	\$ 733,972	\$ 580,637	\$ 77,007	\$ 657,644

NOTES:

1. The grant period for the Land Use, FIAM and INDOT Surface Transportation Program agreements is July 1, 2015 through June 30, 2016. The grant period for the Bright 74 Corridor study is July 1, 2015 through December 31, 2016.
2. FHWA/ODOT STP/KYTC SNK funds were received under agreements for specified long range planning activities. Revenues were received and expenditures incurred in accordance with a unified planning work program approved for the fiscal year.
3. The Land Use task was funded with STP/SNK funds from ODOT and KYTC. ODOT's 82.5123 percent was funded at 100 percent STP utilizing toll revenue credits for match and KYTC's 17.4877 percent was funded at 80 percent SNK funds with 20 percent from local funds.
4. The FIAM implementation and INDOT tasks were funded with 80 percent federal STP/SNK funds from ODOT, KYTC, and INDOT and matched 20 percent from local funds.
5. The Bright 74 Corridor study with 80 percent federal STP funds from INDOT and matched 20 percent local funds from Dearborn County.
6. As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC/INDOT
FY 2017 SURFACE TRANSPORTATION PROGRAM (STP)
JUNE 30, 2017

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (STP)	\$ 379,824	\$ 356,648	\$ 356,648
Kentucky: KYTC (SNK)	64,400	60,471	60,471
Indiana: INDOT (STP)	50,000	49,977	49,977
County matching funds	24,900	23,931	23,931
Local contracts	<u>13,700</u>	<u>13,002</u>	<u>13,002</u>
 Total Operating Revenues	 <u>532,824</u>	 <u>504,029</u>	 <u>504,029</u>
Operating Expenses:			
Direct expenses			
Personnel	162,775	155,383	155,383
Fringe benefits	120,453	111,720	111,720
Travel, subsistence & professional	15,913	7,777	7,777
Printing, marketing & contractual	29,983	29,982	29,982
Other direct expenses	703	496	496
Indirect costs	<u>202,997</u>	<u>198,671</u>	<u>198,671</u>
 Total Operating Expenses	 <u>532,824</u>	 <u>504,029</u>	 <u>504,029</u>
Tasks:			
Long range planning land use	354,535	327,008	327,008
FIAM implementation	105,789	105,228	105,228
FIAM web-based maintenance & startups	10,000	9,322	9,322
INDOT	<u>62,500</u>	<u>62,471</u>	<u>62,471</u>
 Total Tasks	 <u>\$ 532,824</u>	 <u>\$ 504,029</u>	 <u>\$ 504,029</u>

NOTES:

- The grant period for the Land Use, FIAM and INDOT Surface Transportation Program agreements is July 1, 2016 through June 30, 2017.
- FHWA/ODOT STP/KYTC SNK funds were received under agreements for specified long range planning activities. Revenues were received and expenditures incurred in accordance with a unified planning work program approved for the fiscal year.
- The Land Use and FIAM Implementation tasks were funded with STP/SNK funds from ODOT and KYTC. ODOT's 82.5123 percent was funded at 100 percent STP utilizing toll revenue credits for match and KYTC's 17.4877 percent was funded at 80 percent SNK funds with 20 percent from county and local funds.
- The INDOT task was funded with 80 percent federal STP funds matched 20 percent from county and local funds.
- As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC
FY 2017 RIDESHARE
JUNE 30, 2017

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (CMAQ)	\$ 212,324	\$ 167,281	\$ 167,281
Kentucky: KYTC (SNK)	45,000	35,454	35,454
Contributed services	<u>11,250</u>	<u>11,250</u>	<u>11,250</u>
 Total Operating Revenues	<u>268,574</u>	<u>213,985</u>	<u>213,985</u>
Operating Expenses:			
Direct expenses			
Personnel	36,775	19,838	19,838
Fringe benefits	27,214	14,264	14,264
Travel, subsistence & professional	-	81	81
Printing, marketing & contractual	147,422	143,175	143,175
Other direct expenses	50	12	12
Indirect costs	45,863	25,365	25,365
Contributed services	<u>11,250</u>	<u>11,250</u>	<u>11,250</u>
 Total Operating Expenses	<u>268,574</u>	<u>213,985</u>	<u>213,985</u>
Non-operating Revenues (Expenses):			
Contributed services revenues	-	7,450	7,450
Contributed services expenses	<u>-</u>	<u>(7,450)</u>	<u>(7,450)</u>
 Total Non-operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Tasks:			
RideShare	<u>268,574</u>	<u>221,435</u>	<u>221,435</u>
 Total Tasks	<u>\$ 268,574</u>	<u>\$ 221,435</u>	<u>\$ 221,435</u>

NOTES:

1. State grants and contracts consist of the following:
 - a. ODOT agreement for the period July 1, 2016 through June 30, 2017 for \$212,324 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent of Ohio's 82.5123% share of the RideShare program.
 - b. KYTC agreement for the period July 1, 2016 through June 30, 2017 for \$45,000 in KYTC/SNK, reimbursed to OKI at a participation rate of 17.4877 percent of the FY2017 RideShare program and matched with contributed services. A minimum 20% match was required and exceeded.
2. As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT
FY 2016 REGIONAL TRANSPORTATION PLANNING ORGANIZATION PILOT PROGRAM
JUNE 30, 2017

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (SPR)	\$ 40,000	\$ 321	\$ 172	\$ 493
State matching funds Ohio	10,000	80	43	123
County matching funds	-	-	1	1
	<u>50,000</u>	<u>401</u>	<u>216</u>	<u>617</u>
Operating Expenses:				
Direct expenses				
Personnel	16,672	136	72	208
Fringe benefits	12,337	98	52	150
Travel, subsistence & professional	200	-	-	-
Indirect costs	<u>20,791</u>	<u>167</u>	<u>92</u>	<u>259</u>
	<u>50,000</u>	<u>401</u>	<u>216</u>	<u>617</u>
Tasks:				
RTPO mentoring pilot program	<u>50,000</u>	<u>401</u>	<u>216</u>	<u>617</u>
	<u>\$ 50,000</u>	<u>\$ 401</u>	<u>\$ 216</u>	<u>\$ 617</u>

NOTES:

1. The grant period for the Regional Transportation Planning Organization Pilot Program is July 1, 2015 through June 30, 2017.
2. ODOT State Planning and Research funds were received under an agreement to participate in the Regional Transportation Planning Organization Mentoring Pilot Program. OKI is mentoring the Ohio Valley Regional Development Commission.
3. This project is funded with 80% Ohio SPR funds matched with 20% state funds from ODOT.
4. As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OEPA
FY 2017 OEPA STATE BIENNIUM WATER
JUNE 30, 2017

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2017
Operating Revenues:			
Federal and state grants			
Ohio: OEPA (EPA Funds)	\$ 75,000	\$ 75,000	\$ 75,000
County matching funds	250	1,086	1,086
Total Operating Revenues	75,250	76,086	76,086
Operating Expenses:			
Direct expenses			
Personnel	24,949	25,248	25,248
Fringe benefits	18,462	18,153	18,153
Travel, subsistence & professional	475	326	326
Other direct expenses	250	77	77
Indirect costs	31,114	32,282	32,282
Total Operating Expenses	75,250	76,086	76,086
Tasks:			
General assembly	75,250	76,086	76,086
Total Tasks	\$ 75,250	\$ 76,086	\$ 76,086

NOTES:

1. The grant period under the OEPA FY2017 State Biennium Water contract is July 1, 2016 through June 30, 2017 (State of Ohio grant).
2. The OEPA FY2017 State Biennium Water contract covered personnel, fringe and indirect costs. Direct costs were budgeted and paid with county funds.
3. As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OEPA
FY 2017 OEPA 604B WATER QUALITY PLANNING
JUNE 30, 2017

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2017
Operating Revenues:			
Federal and state grants			
Ohio: OEPA (EPA Funds)	\$ 52,867	\$ 52,867	\$ 52,867
County matching funds	2,049	6	6
Total Operating Revenues	54,916	52,873	52,873
Operating Expenses:			
Direct expenses			
Personnel	17,631	17,488	17,488
Fringe benefits	13,047	12,573	12,573
Travel, subsistence & professional	200	438	438
Other direct expenses	2,050	14	14
Indirect costs	21,988	22,360	22,360
Total Operating Expenses	54,916	52,873	52,873
Tasks:			
Program coordination	54,916	52,873	52,873
Total Tasks	\$ 54,916	\$ 52,873	\$ 52,873

NOTES:

1. The grant period under the OEPA FY2017 State 604B Water Quality Planning contract is July 1, 2016 through June 30, 2017.
2. The OEPA FY2017 604b Water Quality Planning contract covered personnel, fringe and indirect costs. Direct costs were budgeted and paid with county funds.
3. As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OKI
FY 2017 LOCAL WATER QUALITY PLANNING PROJECT
JUNE 30, 2017

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:			
County matching funds	\$ 65,985	\$ 56,988	\$ 56,988
Total Operating Revenues	<u>65,985</u>	<u>56,988</u>	<u>56,988</u>
Operating Expenses:			
Direct expenses			
Personnel	18,244	18,532	18,532
Fringe benefits	13,501	13,324	13,324
Travel, subsistence & professional	2,730	987	987
Other direct expenses	8,758	450	450
Indirect costs	<u>22,752</u>	<u>23,695</u>	<u>23,695</u>
Total Operating Expenses	<u>65,985</u>	<u>56,988</u>	<u>56,988</u>
Tasks:			
Local water quality planning	<u>65,985</u>	<u>56,988</u>	<u>56,988</u>
Total Tasks	<u>\$ 65,985</u>	<u>\$ 56,988</u>	<u>\$ 56,988</u>

NOTES:

1. The project period for Local Water Quality Planning was July 1, 2016 through June 30, 2017.
2. Budget amounts were derived from fiscal 2017 overall agency budget.
3. As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OKI
FY 2017 LOCAL REGIONAL PLANNING
JUNE 30, 2017

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2017
Operating Revenues:			
County matching funds	\$ 34,547	\$ 26,805	\$ 26,805
Total Operating Revenues	34,547	26,805	26,805
Operating Expenses:			
Direct expenses			
Personnel	11,295	8,804	8,804
Fringe benefits	8,358	6,330	6,330
Travel, subsistence & professional	125	175	175
Other direct expenses	683	239	239
Indirect costs	14,086	11,257	11,257
Total Operating Expenses	34,547	26,805	26,805
Tasks:			
Local regional planning	35,547	26,805	26,805
Total Tasks	\$ 35,547	\$ 26,805	\$ 26,805

NOTES:

1. The project period for Local Regional Planning program was July 1, 2016 through June 30, 2017.
2. Budget amounts were derived from fiscal 2017 overall agency budget.
3. As of June 30, 2017, no costs subject to audit have been questioned.

SCHEDULES OF CUMULATIVE REVENUES AND EXPENDITURES

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OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC/INDOT
FY 2017 TRANSPORTATION PLANNING
JUNE 30, 2017

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (MPO-PL Funds)	\$ 2,315,276	\$ 1,899,838	\$ 1,899,838
Kentucky: KYTC (HPR-PL Funds)	716,835	412,053	412,053
Kentucky: KYTC (FTA Funds)	144,427	111,826	111,826
Indiana: INDOT (Trans PL Funds)	25,000	24,992	24,992
State matching funds Ohio	289,409	237,480	237,480
State matching funds Kentucky	29,802	23,075	23,075
County matching funds	421,174	340,266	340,266
Local contracts	<u>60,000</u>	<u>11,356</u>	<u>11,356</u>
 Total Operating Revenues	 <u>4,001,923</u>	 <u>3,060,886</u>	 <u>3,060,886</u>
Operating Expenses:			
Direct expenses			
Personnel	1,093,307	884,705	884,705
Fringe benefits	809,047	631,968	631,968
Travel, subsistence & professional	65,987	58,016	58,016
Printing, marketing & contractual	635,000	335,465	335,465
Other direct expenses	35,119	13,357	13,357
Indirect costs	<u>1,363,463</u>	<u>1,137,375</u>	<u>1,137,375</u>
 Total Operating Expenses	 <u>4,001,923</u>	 <u>3,060,886</u>	 <u>3,060,886</u>
Tasks:			
Short range planning	66,460	60,095	60,095
Transportation improvement program	187,103	172,867	172,867
Surveillance	1,851,861	1,482,222	1,482,222
Long range planning	970,464	776,764	776,764
Public involvement	330,570	294,257	294,257
INDOT exclusive	31,250	31,240	31,240
KYTC exclusive - Boone County study	300,000	53,565	53,565
KYTC exclusive - transportation planning	163,202	97,968	97,968
UPWP administration	32,120	25,961	25,961
Transportation program reporting	7,100	6,790	6,790
Mobile source emissions planning	<u>61,793</u>	<u>59,157</u>	<u>59,157</u>
 Total Tasks	 <u>\$ 4,001,923</u>	 <u>\$ 3,060,886</u>	 <u>\$ 3,060,886</u>

NOTES:

- The grant period for FY 2017 MPO Transportation Planning is July 1, 2016 through December 31, 2017. The grant period for the Boone County study is July 1, 2016 through June 30, 2018.
- FHWA/ODOT/KYTC funds are received under agreements for continuation of a transportation planning process with ODOT and KYTC. Revenues were received and expenditures incurred in accordance with a unified planning work program approved each fiscal year. INDOT also participated with the funding being 80 percent Federal and 20 percent local match.
- Due to timing differences between OH and KY funding contracts, KY revenues (PL, FTA, and state) from the beginning of the fiscal year were paired with OH FY16 carryover revenues and appear on the FY2016 Transportation PL page in the current year column. Total KY PL for FY2017 was \$66,404.93 + \$412,053.49 = \$478,458.42 of this amount \$42,851.90 is from the contract for the Boone County Transportation Plan update and the balance of \$435,606.52 is from the MPO planning contract. Total KY FTA for FY2017 was \$20,113.11 + \$111,825.89 = \$131,939.00. Total KY State for FY2017 was \$4,150.30 + \$23,075.14 = \$27,225.44. All within budget.
- As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FTA
FY 2012 JOB ACCESS REVERSE COMMUTE ADMINISTRATION PROGRAM
JUNE 30, 2017

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 148,335	\$ 73,854	\$ 69,309	\$ 143,163
Total Operating Revenues	<u>148,335</u>	<u>73,854</u>	<u>69,309</u>	<u>143,163</u>
Operating Expenses:				
Direct expenses				
Personnel	49,168	24,628	22,939	47,567
Fringe benefits	35,631	17,409	16,493	33,902
Travel, subsistence & professional	125	4	260	264
Other direct expenses	4,025	1,287	287	1,574
Indirect costs	<u>59,386</u>	<u>30,526</u>	<u>29,330</u>	<u>59,856</u>
Total Operating Expenses	<u>148,335</u>	<u>73,854</u>	<u>69,309</u>	<u>143,163</u>
Tasks:				
Job Access Reverse Commute	<u>148,335</u>	<u>73,854</u>	<u>69,309</u>	<u>143,163</u>
Total Tasks	<u>\$ 148,335</u>	<u>\$ 73,854</u>	<u>\$ 69,309</u>	<u>\$ 143,163</u>

NOTES:

1. The Job Access Reverse Commute administration grant began October 31, 2013.
2. The Job Access Reverse Commute grant is 100% federally funded. Funds are used for administration of the Coordinated Public Transit Human Services Transportation Plan for the OKI region.
3. As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FTA
FY 2013 JOB ACCESS REVERSE COMMUTE ADMINISTRATION PROGRAM
JUNE 30, 2017

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2017
Operating Revenues:			
Federal and state grants			
Federal FTA	\$ 74,821	\$ 5,818	\$ 5,818
Total Operating Revenues	74,821	5,818	5,818
Operating Expenses:			
Direct expenses			
Personnel	25,048	1,941	1,941
Fringe benefits	18,536	1,395	1,395
Indirect costs	31,237	2,482	2,482
Total Operating Expenses	74,821	5,818	5,818
Tasks:			
Job Access Reverse Commute	74,821	5,818	5,818
Total Tasks	\$ 74,821	\$ 5,818	\$ 5,818

NOTES:

1. The Job Access Reverse Commute administration grant was effective July 1, 2013.
2. The Job Access Reverse Commute program is 100% federally funded. Funds are used for administration of the Coordinated Public Transit Human Services Transportation Plan for the OKI region.
3. As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FTA
FY 2013 NEW FREEDOM ADMINISTRATION PROGRAM
JUNE 30, 2017

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 50,035	\$ 28,671	\$ 2,527	\$ 31,198
Total Operating Revenues	<u>50,035</u>	<u>28,671</u>	<u>2,527</u>	<u>31,198</u>
Operating Expenses:				
Direct expenses				
Personnel	16,538	9,634	841	10,475
Fringe benefits	12,418	6,971	604	7,575
Other direct expenses	-	138	7	145
Indirect costs	<u>21,079</u>	<u>11,928</u>	<u>1,075</u>	<u>13,003</u>
Total Operating Expenses	<u>50,035</u>	<u>28,671</u>	<u>2,527</u>	<u>31,198</u>
Tasks:				
New Freedom Administration	<u>50,035</u>	<u>28,671</u>	<u>2,527</u>	<u>31,198</u>
Total Tasks	<u>\$ 50,035</u>	<u>\$ 28,671</u>	<u>\$ 2,527</u>	<u>\$ 31,198</u>

NOTES:

1. The New Freedom administration grant began July 1, 2013.
2. The New Freedom grant is 100% Federally funded. Funds are used for administration of the Coordinated Public Transit Human Services Transportation Plan for the OKI region.
3. As of June 30, 2017 no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FTA
FY 2013 NEW FREEDOM PASS-THROUGH PROGRAM
JUNE 30, 2017

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 385,212	\$ 338,733	\$ 7,612	\$ 346,345
Contributed services	<u>385,212</u>	<u>405,856</u>	<u>7,612</u>	<u>413,468</u>
Total Operating Revenues	<u>770,424</u>	<u>744,589</u>	<u>15,224</u>	<u>759,813</u>
Operating Expenses:				
Direct expenses				
Printing, marketing & contractual	385,212	338,733	7,612	346,345
Contributed services	<u>385,212</u>	<u>405,856</u>	<u>7,612</u>	<u>413,468</u>
Total Operating Expenses	<u>770,424</u>	<u>744,589</u>	<u>15,224</u>	<u>759,813</u>
Tasks:				
Towne Taxi	130,212	37,834	15,224	53,058
Senior Services of Northern Kentucky	210,000	210,000	-	210,000
Wesley Community Services	300,000	367,123	-	367,123
Community Cab	<u>130,212</u>	<u>129,632</u>	<u>-</u>	<u>129,632</u>
Total Tasks	<u>\$ 770,424</u>	<u>\$ 744,589</u>	<u>\$ 15,224</u>	<u>\$ 759,813</u>

NOTES:

1. The New Freedom pass through grant began May 15, 2013.
2. The New Freedom grants are funded at 50% for operating programs and passed through to other agencies for delivery of transportation services related to the Public Transit Human Services Transportation Plan for the OKI region.
3. The recipient agency provides the required 50% match. Wesley Community Services over matched their share of the program, which is acceptable.
4. As of June 30, 2017, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES**

FTA

FY 2015 FTA 5310 TRANSIT PLANNING PROGRAM

JUNE 30, 2017

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 271,671	\$ 28,823	\$ 46,717	\$ 75,540
Total Operating Revenues	<u>271,671</u>	<u>28,823</u>	<u>46,717</u>	<u>75,540</u>
Operating Expenses:				
Direct expenses				
Personnel	44,405	4,455	6,242	10,697
Fringe benefits	33,344	3,221	4,488	7,709
Travel, subsistence & professional	215	62	-	62
Printing, marketing & contractual	135,835	15,508	27,639	43,147
Other direct expenses	1,274	112	366	478
Indirect costs	<u>56,598</u>	<u>5,465</u>	<u>7,982</u>	<u>13,447</u>
Total Operating Expenses	<u>271,671</u>	<u>28,823</u>	<u>46,717</u>	<u>75,540</u>
Tasks:				
FTA - 5310 transit planning activities	<u>271,671</u>	<u>28,823</u>	<u>46,717</u>	<u>75,540</u>
Total Tasks	<u>\$ 271,671</u>	<u>\$ 28,823</u>	<u>\$ 46,717</u>	<u>\$ 75,540</u>

NOTES:

1. The FTA 5310 transit planning grant began February 9, 2015.
2. The FTA 5310 Transit Planning grant is 100% Federally funded. Funds are used for administration of the Coordinated Public Transit Human Services Transportation Plan for the OKI region.
3. OKI has agreed to be the Designated Recipient of Section 5310 federal funds allocated to the Cincinnati urbanized area and SORTA has agreed to assist with the administration of the Section 5310 program in accordance with the Joint Cooperative Agreement. SORTA's primary duty will be to provide capital procurement services for the program.
4. As of June 30, 2017, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES**

DOA

FY 2016 INTEGRATING TREES INTO STORMWATER MANAGEMENT DESIGN AND POLICY

JUNE 30, 2017

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:				
Federal and state grants				
Federal DOA	\$ 196,270	\$ 64,862	\$ 105,675	\$ 170,537
County matching funds	80,030	16,720	67,746	84,466
Contributed services	<u>116,240</u>	<u>34,318</u>	<u>49,929</u>	<u>84,247</u>
Total Operating Revenues	<u>392,540</u>	<u>115,900</u>	<u>223,350</u>	<u>339,250</u>
Operating Expenses:				
Direct expenses				
Personnel	41,633	12,166	30,279	42,445
Fringe benefits	29,976	8,796	21,770	30,566
Travel, subsistence & professional	6,699	199	5,980	6,179
Printing, marketing & contractual	146,240	44,815	75,506	120,321
Other direct expenses	1,378	682	1,172	1,854
Indirect costs	50,376	14,924	38,714	53,638
Contributed services	<u>116,240</u>	<u>34,318</u>	<u>49,929</u>	<u>84,247</u>
Total Operating Expenses	<u>392,542</u>	<u>115,900</u>	<u>223,350</u>	<u>339,250</u>
Tasks:				
National Urban and Community Forestry	<u>392,540</u>	<u>115,900</u>	<u>223,350</u>	<u>339,250</u>
Total Tasks	<u>\$ 392,540</u>	<u>\$ 115,900</u>	<u>\$ 223,350</u>	<u>\$ 339,250</u>

NOTES:

1. The original project period for the Integrating Trees into Stormwater Management Design and Policy is July 1, 2015 through June 30, 2017. During FY2017 the project was extended through December 31, 2017.
2. OKI received grant funds through the US Department of Agriculture, Forest Service as part of the Urban & Community Forestry program; \$196,270 was awarded to OKI to partner with local, regional, and national experts to develop a Guide for Local Decision Makers.
3. As of June 30, 2017, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OKI
FY 2017 DUKE CLASS BENEFIT FUND ENERGY PLANS
JUNE 30, 2017

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>
Operating Revenues:			
Local contracts	\$ 500,000	\$ 8,018	\$ 8,018
Total Operating Revenues	<u>500,000</u>	<u>8,018</u>	<u>8,018</u>
Operating Expenses:			
Direct expenses			
Personnel	73,650	2,667	2,667
Fringe benefits	55,874	1,918	1,918
Printing, marketing & contractual	274,500	-	-
Other direct expenses	2,266	22	22
Indirect costs	<u>93,710</u>	<u>3,411</u>	<u>3,411</u>
Total Operating Expenses	<u>500,000</u>	<u>8,018</u>	<u>8,018</u>
Tasks:			
Duke class benefit fund energy plans	<u>500,000</u>	<u>8,018</u>	<u>8,018</u>
Total Tasks	<u><u>\$ 500,000</u></u>	<u><u>\$ 8,018</u></u>	<u><u>\$ 8,018</u></u>

NOTES:

1. The project period for the Duke Class Action / Class Benefit Fund: A More Efficient and Secure Energy Future Through Planning project is February 20, 2017 through December 31, 2019.
2. OKI received grant funds through the Duke Class Benefit Fund to assist, in partnership with the Greater Cincinnati Energy Alliance, 8 municipal entities in its southwest Ohio member counties with energy efficiency plans.
3. As of June 30, 2017, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/ Pass-through Grantor/ Program/Cluster Title	Federal CFDA Number	Direct Grant or Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U. S. Department of Agriculture</u>				
<i>Direct Programs</i>				
Urban and Community Forestry Program	10.675			
Integrating Trees Into Stormwater Management Design		15-DG-11132544-036	\$ 75,506	\$ 105,675
Total CFDA 10.675			<u>75,506</u>	<u>105,675</u>
Total U. S. Department of Agriculture			<u>75,506</u>	<u>105,675</u>
<u>U. S. Department of Transportation</u>				
<i>Federal Transit Administration - Transit Services Programs Cluster</i>				
<i>Direct Programs</i>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			
FTA 5310 Transit Planning		OH-16-X012-00	27,639	46,717
Total CFDA 20.513			<u>27,639</u>	<u>46,717</u>
Job Access and Reverse Commute Program	20.516			
Job Access and Reverse Commute Administration		OH-37-X088-00	-	69,309
Job Access and Reverse Commute Administration		OH-37-X099-00	-	5,818
Total CFDA 20.516			<u>-</u>	<u>75,127</u>
New Freedom Program	20.521			
New Freedom Pass -Through		OH-57-X061-00	7,612	7,612
New Freedom Administration		OH-57-X064-00	-	2,527
Total CFDA 20.521			<u>7,612</u>	<u>10,139</u>
Total Direct Programs - U.S. Department of Transportation			<u>35,251</u>	<u>131,983</u>
<i>Federal Highway Administration - Highway Planning and Construction Cluster</i>				
<i>Programs Passed Through Ohio Department of Transportation (ODOT)</i>				
Highway Planning and Construction	20.205			
Clean Air - Ozone Awareness (CMAQ funds)		730314	-	198,730
Ride Share (CMAQ funds)		730315	-	167,281
Transportation Planning (MPO-PL funds)		730279	-	1,899,838
Transportation Planning (MPO-PL funds)		728648	-	408,219
Regional Transportation Planning (SPR funds)		728673	-	172
Surface Transportation (STP funds)		730302	-	269,822
Surface Transportation (STP funds)		730303	-	86,826
Total CFDA 20.205 (passed through ODOT)			<u>-</u>	<u>3,030,888</u>
<i>Programs Passed Through Kentucky Transportation Cabinet (KYTC)</i>				
Highway Planning and Construction	20.205			
Transportation Planning (HPR-PL funds)		1600003895	-	435,606
Transportation Planning (HPR-PL funds)		1700000431	-	42,852
Ride Share (SNK funds)		1700000052	-	35,454
Clean Air - Ozone Awareness (SNK funds)		1700000052	-	42,119
Surface Transportation (SNK funds)		1700000052	-	60,471
Total CFDA 20.205 (passed through KYTC)			<u>-</u>	<u>616,502</u>
<i>Programs Passed Through Indiana Department of Transportation (INDOT)</i>				
Highway Planning and Construction	20.205			
Transportation Planning (PL funds)		A249-16-G160012	-	24,992
Surface Transportation (STP funds)		A249-16-G160012	-	49,977
Surface Transportation (STP funds)		A249-15-G150037	-	61,606
Total CFDA 20.205 (passed through INDOT)			<u>-</u>	<u>136,575</u>
Total CFDA 20.205			<u>-</u>	<u>3,783,965</u>

(continued)

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

Federal Grantor/ Pass-through Grantor/ Program/Cluster Title	Federal CFDA Number	Direct Grant or Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<i>Federal Transit Administration - Metropolitan Planning</i>				
<i>Programs Passed Through Kentucky Transportation Cabinet (KYTC)</i>				
Metropolitan Transportation Planning	20.505			
Transportation Planning (FTA funds)		G04M703Z	-	131,939
Total CFDA 20.505			-	131,939
Total Passed Through Programs - U.S. Department of Transportation			-	3,915,904
Total U. S. Department of Transportation			35,251	4,047,887
 <u>U. S. Environmental Protection Agency</u>				
<i>Programs Passed Through Ohio Environmental Protection Agency (OEPA)</i>				
Water Quality Management Planning	66.454			
Water Quality Planning (EPA funds)		OKI-FD60415	-	52,867
Total CFDA 66.454			-	52,867
Total U. S. Environmental Protection Agency			-	52,867
Total			\$ 110,757	\$ 4,206,429

See accompanying notes to schedule

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2017

Note A – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) under programs of the federal government for the year ended June 30, 2017. The information on this Schedule is prepared 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 select portion of the operations of OKI, it is not intended to and does not present the financial position, changes in net position, or cash flows of OKI.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. OKI has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. The Schedule of Expenditures of Federal Awards reflects the application of actual fringe benefits and indirect costs rates, subject to grant or program limitations.

Note C - Subrecipients

OKI passes certain federal awards received from the U. S. Department of Agriculture and the U.S. Department of Transportation to other not-for-profit agencies (subrecipients). As Note B describes, OKI reports expenditures of Federal awards to subrecipients on an accrual basis.

OKI has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that subrecipients achieve the award's performance goals.

Note D – Matching Requirements

Certain Federal programs require OKI to contribute non-federal funds (matching funds) to support the federally-funded programs. OKI has met its matching requirements. The Schedule does not include the expenditure of non-federal matching funds.

Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

OKI Regional Council of Governments
720 East Pete Rose Way, Suite 420
Cincinnati, Ohio 45202

To the Executive Committee:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise OKI's basic financial statements and have issued our report thereon dated December 15, 2017.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered OKI's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of OKI's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of OKI's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether OKI's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of OKI's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering OKI's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Bastin & Company, L L C". The signature is written in a cursive style and is centered within a light gray rectangular background.

Cincinnati, Ohio
December 15, 2017

Bastin & Company, LLC
Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

OKI Regional Council of Governments
720 East Pete Rose Way, Suite 420
Cincinnati, Ohio 45202

To the Executive Committee:

Report on Compliance for the Major Federal Program

We have audited Ohio-Kentucky-Indiana Regional Council of Governments' (OKI) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect OKI's major federal program for the year ended June 30, 2017. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies OKI's major federal program.

Management's Responsibility

OKI's Management is responsible for complying 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 opine on OKI's compliance for OKI's major federal program based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; 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). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about OKI's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on OKI's major program. However, our audit does not provide a legal determination of OKI's compliance.

Opinion on the Major Federal Program

In our opinion, the Ohio-Kentucky-Indiana Regional Council of Governments complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended June 30, 2017.

Report on Internal Control over Compliance

OKI's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered OKI's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of OKI'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, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *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 federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement 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 would not necessarily 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.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio
December 15, 2017

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2017**

SUMMARY OF AUDITOR'S RESULTS

Type of financial statement opinion	Unmodified
Were there any material control weaknesses reported at the financial statement level?	No
Were there any other significant deficiencies in internal control reported at the financial statement level?	No
Was there any reported material noncompliance reported at the financial statement level?	No
Were there any material internal control weaknesses reported for major federal programs?	No
Were there any other significant deficiencies in internal control reported for major federal programs?	No
Type of major programs' compliance opinion	Unmodified
Are there any reportable findings?	No
Major programs:	Federal Highway Administration, Highway Planning and Construction Cluster - CFDA 20.205
Dollar threshold to distinguish between Type A/B programs	Type A: >\$750,000 Type B: all others
Low risk auditee?	Yes

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2017**

There were no findings reported in the prior audit report.