

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

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**



# OHIO AUDITOR OF STATE KEITH FABER



January 15, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

Ohio Auditor of State

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# Dave Yost • Auditor of State

Executive Committee  
Ohio-Kentucky-Indiana Regional Council of Governments  
720 East Pete Rose Way, Suite 420  
Cincinnati, Ohio 45202

We have reviewed the *Independent Auditor's Report* of the Ohio-Kentucky-Indiana Regional Council of Governments, Hamilton County, prepared by Bastin & Company, LLC, for the audit period July 1, 2017 through June 30, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ohio-Kentucky-Indiana Regional Council of Governments is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost  
Auditor of State

January 3, 2019

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# 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

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# 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, 2018 and 2017, 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, 2018 and 2017, 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 10, 2018, 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.



Cincinnati, Ohio  
December 10, 2018

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2018  
(Unaudited)**

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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, 2018. Please read it in conjunction with OKI's financial statements, which follow this section.

**ABOUT OKI**

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**

OKI is dedicated to seeing this \$2.6 billion dollar project built and the sooner, the better. 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. A year-long study commissioned by Governor Bevin (KY) concluded a new Brent Spence Bridge is needed and that a bypass highway will not address the needs. Next steps include a funding plan that is agreeable by both Kentucky and Ohio.



### 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. Estimated costs to replace it is \$335 million.



### Indiana Port

Lawrenceburg will be home to Indiana's fourth port. Announced in September 2017, the Ports of Indiana has entered into an agreement to purchase 725 acres at the former Tanners Creek coal plant. The agreement gives the Ports of Indiana until December 2018 to confirm the site's viability. Indiana's three existing ports support approximately 60,000 jobs and generate \$7.8 billion in annual economic activity. Each year, these ports handle over 25 million tons of multimodal shipments.



### Cincinnati/Northern Kentucky International Airport (CVG)

In cooperation with CVG leadership, OKI has provided millions of dollars for roads surrounding the Cincinnati/Northern Kentucky International Airport. These OKI investments have helped CVG achieve its dynamic business plan – including the addition of Southwest Airlines in 2017. Year to date origin passengers are up an estimated 15.3% over 2017.



## 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.



## 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. The transformative interchange opened in fall 2017.



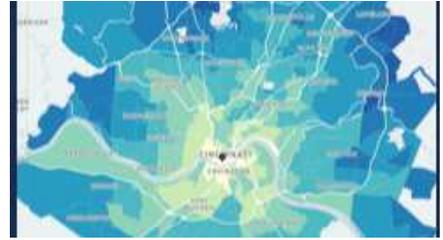
## Freight

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. OKI hosted the Ohio Conference on Freight August 15-17, 2018 at the Hilton Cincinnati Netherland Plaza hotel.



### Cincinnati Mobility Lab

In late January 2018, Uber announced a multi-year commitment to work with the Cincinnati region by creating the Cincinnati Mobility Lab that will share data, conduct studies, engage employers and activate designers to help create an innovative and strategic transportation plan for the region. OKI, along with Cincinnati USA Regional Chamber, City of Cincinnati, SORTA, and TANK are collaborative partners.



### Homeland Security

In cooperation with several regional partners, OKI continues to evolve the cutting edge emergency management system known as RAVEN911. This system provides an Internet-based common operating picture allowing emergency responders from across the Greater Cincinnati region to prepare for, respond to or recover from a large-scale emergency.



### 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.



## 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.



## Urban and Community U.S. Forestry Challenge

OKI in partnership with Davey Resources, Centerline Strategies LLC, and NARC, with funding by the U.S. Forest service created a national guide for local decision-makers to use as a resource for promoting, facilitating and increasing the use of trees for stormwater management. For more information, visit [treesandstormwater.org](http://treesandstormwater.org).



## 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 2018:

- OKI continued its 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. In FY18 plans were initiated for the Village of Cleves and Colerain Township. Consistent with OKI's strategic regional policy 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). One of these partnerships will continue into fiscal year 2019, providing \$2,500 in local match for fiscal year 2019 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 2018 the RideShare Program received \$39,610 in contributed services and the Clean Air Program received \$52,243 in contributed services.
- Total assets exceeded liabilities as of June 30, 2017 by \$1,366,804, an increase of \$247,590 from June 30, 2017. 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 \$5,649,727 and operating expenses of \$5,402,137, resulting in operating income of \$247,590. Contributed services in excess of match required by programs and grants totaled \$72,528.

## **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 \$247,590, 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>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
Current assets	\$2,338	\$2,022	\$1,807
Capital assets, net	<u>46</u>	<u>53</u>	<u>63</u>
Total assets	<u>2,384</u>	<u>2,075</u>	<u>1,870</u>
Current liabilities	898	842	677
Non-current liabilities	<u>119</u>	<u>114</u>	<u>101</u>
Total liabilities	<u>1,017</u>	<u>956</u>	<u>778</u>
Net position:			
Net investment in capital assets	46	53	63
Unrestricted	<u>1,321</u>	<u>1,066</u>	<u>1,029</u>
Total net position	<u>\$1,367</u>	<u>\$1,119</u>	<u>\$1,092</u>

**Current assets** increased by \$316k, or 15.6%, in 2018 due to an increase in accounts receivable related to the Ohio Conference on Freight to be held in August, 2018 combined with an increase in cash. In 2017 current assets increased by \$215k, or 11.9%, due to an increase in accounts receivable related to the Boone County Transportation Plan update combined with an increase in cash.

**Capital assets** decreased by \$7k, or 13.2%, in 2018 due to the disposal of an outdated postage meter and related equipment. In 2017 capital assets decreased by \$10k, or 15.9%, due to the purchase of \$16k in computers and network equipment offset by depreciation of existing equipment.

**Current liabilities** increased by \$56k, or 6.7%, in 2018 due to an increase in open payables related to the traffic data collection project combined with an increase in unearned revenues associated with an advance received from the Duke Class Benefit Fund and advances received for the Ohio Conference on Freight to be held in August 2019, which were offset by revenue recognized on completed and closed projects. In 2017 current liabilities increased by \$165k, or 24.4%, 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.

**Non-current liabilities** increased by \$5k, or 4.4%, in 2018 due to a vacation accrual correction made during the year. In 2017 non-current liabilities increased by \$13k, or 12.9%, due to a decrease in vacation leave usage in fiscal 2017 resulting in higher leave balances at the end of the year.

**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 \$255k, or 23.9%, in 2018 due to continued effective management of local water, regional planning, and general and administrative activities combined with timing of current projects and recognition of revenue on completed and closed projects. In 2017 unrestricted net position increased by \$37k, or 3.6%, due to effective management of local water, regional planning, and general and administrative 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>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
Federal and state	\$4,224	\$4,281	\$4,495
State, local and county matching	1,267	1,039	1,104
Other revenue	82	56	53
Contributed services	<u>77</u>	<u>84</u>	<u>75</u>
Total operating revenue	<u>5,650</u>	<u>5,460</u>	<u>5,727</u>
Operating expenses			
Salaries and wages	2,495	2,438	2,456
Fringe benefits	1,058	1,091	1,116
Travel, subsistence and professional development	115	138	118
Printing, marketing and contractual	922	973	1,192
Depreciation	28	26	24
Other expenses	707	683	718
Contributed services	<u>77</u>	<u>84</u>	<u>75</u>
Total operating expenses	<u>5,402</u>	<u>5,433</u>	<u>5,699</u>
Operating income	<u>248</u>	<u>27</u>	<u>28</u>
Non-operating revenues (expenses)			
Contributed services	73	19	68
Contributed marketing	<u>(73)</u>	<u>(19)</u>	<u>(68)</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	248	27	28
Net position, beginning of year	<u>1,119</u>	<u>1,092</u>	<u>1,064</u>
Net position, end of year	<u>\$1,367</u>	<u>\$1,119</u>	<u>\$1,092</u>

**Operating revenues** increased by 3.5% from 2017 to 2018 due to a decrease in federal and state revenues associated with completion of the Forestry project offset by increased FTA 5310 project activities; combined with an increase in local revenues associated with the Duke Class Benefit Energy Fund activities, an increase in other revenues associated with the Ohio Conference on Freight, and recognition of revenue from completed and closed projects, offset by a decrease in contributed services revenue related to completion of the Forestry project.

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 expenses** decreased by 0.6% from 2017 to 2018 due to a decrease in travel, subsistence, and professional development expenses related to completion of the Forestry project and lower board member travel costs; combined with a decrease to printing, marketing and contractual expenses related to completion of the Bright 74 Study and the Establishment Survey, reduced FIAM model activities, and the CleanAir marketing survey being completed by staff rather than a consultant, offset by an increase in Boone County Transportation Plan update activities and commencement of traffic counts; and a decrease in contributed services revenue related to completion of the Forestry project.

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.

**Contributed services in excess of required match** increased by 284.2% from 2017 to 2018 due to the program manager being able to negotiate better rates and partnerships for the Clean Air and Rideshare programs.

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.

## 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	\$4,224	\$4,538	\$ (314)
State, local and county matching	1,267	1,228	39
Other revenue	82	60	22
Contributed services	<u>77</u>	<u>39</u>	<u>38</u>
Total operating revenue	<u>5,650</u>	<u>5,865</u>	<u>(215)</u>
Operating expenses			
Salaries and wages	2,495	2,547	52
Fringe benefits	1,058	1,213	155
Travel, subsistence and professional development	115	163	48
Printing, marketing and contractual	922	1,071	149
Other expenses	735	836	101
Contributed services	<u>77</u>	<u>39</u>	<u>(38)</u>
Total operating expenses	<u>5,402</u>	<u>5,869</u>	<u>467</u>
Non-operating revenues (expenses)			
Contributed services	73	72	1
Contributed marketing	<u>(73)</u>	<u>(72)</u>	<u>(1)</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	248	(4)	252
Net position, beginning of year	<u>1,119</u>	<u>1,119</u>	<u>-</u>
Net position, end of year	<u>\$1,367</u>	<u>\$1,115</u>	<u>\$ 252</u>

Operating revenues were 96.3% of budget. Other revenues were ahead of budget due to Ohio Conference on Freight partnerships being higher than anticipated.

Operating expenses were at 92.0% of budget. Fringe benefit expenses were under budget due to savings experienced on health insurance renewals. Travel and professional development expenses were lower than budget due to several professional development opportunities budgeted but not taken, and lower than budgeted board travel. Printing, marketing and contractual expenses were under budget due to

completion of the Clean Air program survey in-house along with the timing of the Duke Class Benefit Energy Fund activities and FIAM model development activities, offset by timing of the Boone County Transportation Plan update.

In fiscal year 2018, OKI was able to stay under budget due to careful management of local regional planning, local water, and general and administrative non-federal activities combined with receipt of Ohio Conference on Freight partnerships greater than anticipated and recognition of revenue on completed and closed projects no longer being addressed, resulting in the \$248k addition to net position rather than the budgeted decrease in net position.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2018, 2017 and 2016, OKI's capital assets are reflected in the following schedule.

**CAPITAL ASSETS (\$ in Thousands)**

	<u>FY2018</u>	<u>FY2017</u>	<u>FY2016</u>
Office furniture and equipment	\$ 620	\$ 629	\$ 631
Accumulated depreciation	<u>(574)</u>	<u>(576)</u>	<u>(568)</u>
Total	<u>\$ 46</u>	<u>\$ 53</u>	<u>\$ 63</u>

Net capital assets decreased during fiscal year 2018 primarily due to the disposal of an outdated postage meter and related equipment.

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.

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 2018.

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 2018 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, 2018 AND 2017**

<b>ASSETS</b>		
	2018	2017
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 1,130,580	\$ 903,262
Accounts receivable	1,163,218	1,085,873
Prepaid expenses	44,082	33,123
TOTAL CURRENT ASSETS	2,337,880	2,022,258
<b>NONCURRENT ASSETS:</b>		
Capital assets, net	45,933	53,364
TOTAL NONCURRENT ASSETS	45,933	53,364
TOTAL ASSETS	2,383,813	2,075,622
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	384,766	339,283
Accrued expenses	110,272	105,458
Compensated absences	198,009	202,282
Unearned revenue	205,037	194,819
TOTAL CURRENT LIABILITIES	898,084	841,842
<b>NONCURRENT LIABILITIES</b>		
Compensated absences	118,925	114,566
TOTAL NONCURRENT LIABILITIES	118,925	114,566
TOTAL LIABILITIES	1,017,009	956,408
<b>NET POSITION</b>		
Net investment in capital assets	45,933	53,364
Unrestricted	1,320,871	1,065,850
TOTAL NET POSITION	\$ 1,366,804	\$ 1,119,214

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, 2018 AND 2017**

	2018	2017
<b>OPERATING REVENUES:</b>		
Federal and state grants	\$ 4,223,865	\$ 4,281,429
State, local and county matching funds	1,266,344	1,038,602
Other revenues	82,104	55,731
Contributed services	77,414	83,791
Total Operating Revenues	5,649,727	5,459,553
<b>OPERATING EXPENSES:</b>		
Direct expenses		
Personnel	1,447,903	1,414,505
Fringe benefits	994,120	1,017,024
Travel, subsistence and professional	90,161	110,928
Printing, marketing and contractual	872,835	923,612
Other direct expenses	102,104	74,366
Indirect costs	1,817,600	1,808,578
Contributed services	77,414	83,791
Total Operating Expenses	5,402,137	5,432,804
<b>OPERATING INCOME</b>	247,590	26,749
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Contributed services revenues	72,528	18,746
Contributed services expenses	(72,528)	(18,746)
Total Non-operating Revenues (Expenses)	-	-
<b>CHANGE IN NET POSITION</b>	247,590	26,749
Net Position Beginning of Year	1,119,214	1,092,465
Net Position End of Year	\$ 1,366,804	\$ 1,119,214

See accompanying notes to the financial statements.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Receipts from federal and state grants	\$ 4,244,281	\$ 4,163,885
Receipts from local grants and matching funds	1,261,014	1,131,882
Payments to employees	(3,548,907)	(3,517,494)
Payments to suppliers	<u>(1,708,670)</u>	<u>(1,654,136)</u>
Net cash provided by (used for) operating activities	<u>247,718</u>	<u>124,137</u>
<b>Cash flows from capital related activities:</b>		
Purchase of fixed assets	<u>(20,400)</u>	<u>(15,792)</u>
Net cash provided by (used for) capital financing activities	<u>(20,400)</u>	<u>(15,792)</u>
Net increase (decrease) in cash and cash equivalents	227,318	108,345
Cash and cash equivalents at beginning of year	<u>903,262</u>	<u>794,917</u>
Cash and cash equivalents at end of year	<u>\$ 1,130,580</u>	<u>\$ 903,262</u>
<b>Reconciliation of operating income to net cash used for operating activities:</b>		
Operating income	\$ 247,590	\$ 26,749
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	27,831	25,666
Changes in assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable	(77,345)	(99,556)
Prepaid expenses	(10,959)	(7,294)
Increase (Decrease) in:		
Accounts payable	45,483	147,250
Accrued expenses	4,814	11,253
Unearned revenue	10,218	19,322
Compensated absences	86	747
Net cash provided by (used for) operating activities	<u>\$ 247,718</u>	<u>\$ 124,137</u>

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, 2018 AND 2017**

**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*" and GASB Statement No. 80, "*Blending Requirements for Certain Component Units - An Amendment of GASB Statement No. 14*". 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 2018, 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 2018, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, twenty-four hours advance notice is appreciated for deposits and withdrawals of \$25 million or more. STAR Ohio reserves the right to limit the transactions to \$100 million per day, requiring the excess amount to be transacted the following business day(s), but only to the \$100 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 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, \$294,488 of OKI's bank balance of \$544,488 was exposed to custodial credit risk because those deposits were uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, noncompliance with Federal requirements could potentially subject OKI to a successful claim by the Federal Deposit Insurance Corporation.

OKI has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits either be insured or be protected by eligible securities pledged to OKI and deposited with a qualified trustee by the financial institution as security for repayment whose market value at all times shall be at least 105 percent of the deposits being secured; or participation in the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution. OPCS requires the total market value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. For 2018, OKI's financial institution participated in the OPCS and was approved for a reduced collateral rate of 50 percent.

#### Investments

As of June 30, 2018, OKI had the following investments:

	<u>Carrying Amount</u>	<u>Maturity</u>
STAR Ohio	\$587,628	Average 48.9 Days
Total Investments	<u>\$587,628</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, 2018.

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	\$1,130,580	\$ 0
STAR Ohio	<u>(587,628)</u>	<u>587,628</u>
Per Details Presented Above	<u>\$ 542,952</u>	<u>\$587,628</u>

#### 4. ACCOUNTS RECEIVABLE

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

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Receivables Under Contracts and Grants		
Federal	\$ 57,186	\$ 38,503
Ohio	828,633	816,013
Kentucky	153,241	205,464
Indiana	27,803	17,081
Local and County	10,000	8,573
Receivables Other	<u>86,355</u>	<u>239</u>
Total Receivables	<u>\$1,163,218</u>	<u>\$ 1,085,873</u>

#### 5. CAPITAL ASSETS

Changes in capital assets for the year that ended June 30, 2018 are summarized below:

<u>Description</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Office furniture and equipment	\$ 629,607	\$ 20,400	\$(30,215)	\$ 619,792
Less: accumulated depreciation	<u>(576,243)</u>	<u>(27,831)*</u>	<u>30,215</u>	<u>(573,859)</u>
Furniture and Equipment net	<u>\$ 53,364</u>	<u>\$ (7,431)</u>	<u>\$ -</u>	<u>\$ 45,933</u>

\*Depreciation expense of \$24,891 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, 2017 are summarized below:

<u>Description</u>	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 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.

## 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, 2018 and 2017, OKI had no borrowings against this line of credit.

## 7. COMPENSATED ABSENCES

Changes in compensated absences for the year that ended June 30, 2018 are summarized below:

<u>Balance July 1, 2017</u>	<u>Entitlements</u>	<u>Usage</u>	<u>Balance June 30, 2018</u>	<u>Due Within One Year</u>
<u>\$316,848</u>	<u>\$379,097</u>	<u>\$(379,011)</u>	<u>\$316,934</u>	<u>\$198,009</u>

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

<u>Balance July 1, 2016</u>	<u>Entitlements</u>	<u>Usage</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
<u>\$316,101</u>	<u>\$379,100</u>	<u>\$(378,353)</u>	<u>\$316,848</u>	<u>\$202,282</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 \$435,874 and \$433,882 for the years ended June 30, 2018 and 2017, respectively.

## 9. DEFINED CONTRIBUTION RETIREMENT PLAN AND POSTEMPLOYMENT BENEFITS

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.

Prior to January 1, 2009, 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 2018, 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 \$337,616 and \$325,978 for the years ended June 30, 2018 and 2017, 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 2018 and 2017 there were no forfeitures.

Other postemployment benefits are not provided by OKI.

## **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 2018 and 2017 was \$391,378 and \$436,616, 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 \$91,853 (\$72,528 in excess of required match) and \$44,996 (\$18,746 in excess of required match) for the years ended June 30, 2018 and 2017, respectively.

The New Freedom Pass-Through and FTA 5310 Pass-Through programs 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 \$23,135 for the year ended June 30, 2018 and \$7,612 for the year ended June 30, 2017.

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 \$34,954 for the year ended June 30, 2018 and \$49,929 for the year ended June 30, 2017.

## **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, 2018**  
**(with comparative summary total for 2017)**

	General & Administrative Activities	Environmental Planning Activities	Regional Planning	Ridesharing Implementation	Transportation Planning Activities	Total 2018	Total 2017
<b>Operating Revenues:</b>							
Federal & state grants	\$ -	\$ 151,395	\$ -	\$ 189,237	\$ 3,883,233	\$ 4,223,865	\$ 4,281,429
State, local and county matching funds	292,230	43,456	130,924	-	799,734	1,266,344	1,038,602
Other revenue	52,739	-	-	-	29,365	82,104	55,731
Contributed services	-	34,954	-	9,100	33,360	77,414	83,791
<b>Total Operating Revenues</b>	<b>344,969</b>	<b>229,805</b>	<b>130,924</b>	<b>198,337</b>	<b>4,745,692</b>	<b>5,649,727</b>	<b>5,459,553</b>
<b>Operating Expenses:</b>							
<b>Direct expenses</b>							
Personnel	13,090	58,029	40,013	15,331	1,321,440	1,447,903	1,414,505
Fringe benefits	8,987	39,843	27,473	10,526	907,291	994,120	1,017,024
Travel, subsistence, and professional	29,042	2,731	322	-	58,066	90,161	110,928
Printing, marketing and contractual	6,358	20,668	12,645	143,948	689,216	872,835	923,612
Other direct expenses	23,470	733	240	188	77,473	102,104	74,366
Indirect costs	16,432	72,847	50,231	19,244	1,658,846	1,817,600	1,808,578
Contributed services	-	34,954	-	9,100	33,360	77,414	83,791
<b>Total Operating Expenses</b>	<b>97,379</b>	<b>229,805</b>	<b>130,924</b>	<b>198,337</b>	<b>4,745,692</b>	<b>5,402,137</b>	<b>5,432,804</b>
<b>Non Operating Revenues (Expenses):</b>							
Contributed services revenues	-	-	-	30,510	42,018	72,528	18,746
Contributed services expenses	-	-	-	(30,510)	(42,018)	(72,528)	(18,746)
<b>Total Non Operating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Income</b>	<b>\$ 247,590</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 247,590</b>	<b>\$ 26,749</b>

**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, 2018**

	<u>Budget</u>	<u>Actual</u>
Fringe benefit costs:		
Holidays	\$ 95,063	\$ 92,898
Sick leave	72,510	83,476
Vacation	200,391	202,638
Administrative	9,483	5,845
Retirement	378,618	355,807
Group health	630,878	515,108
FICA	186,049	179,385
Workers compensation	3,669	1,287
Unemployment	1,200	-
Employee Incentives	3,402	6,685
	<u>1,581,263</u>	<u>1,443,129</u>
Total fringe benefit costs	<u>\$ 1,581,263</u>	<u>\$ 1,443,129</u>
Allocation base: Direct and indirect personnel	<u>\$ 2,169,531</u>	<u>\$ 2,101,869</u>
Fringe benefit cost rate	<u>72.89%</u>	<u>68.66%</u>

**Notes:**

1. Approval of the fringe benefit cost rate for the year ended June 30, 2018 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 72.89 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 2018 for grant invoicing purposes. The final 2018 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, 2018**

	Budget	Actual
Indirect costs:		
Personnel	\$ 648,843	653,966
Fringe benefits	472,910	449,009
Auto allowance	8,700	8,700
Travel and professional development	24,948	20,810
Memberships	2,664	2,889
Printing	690	938
Repairs and maintenance	14,954	10,755
Office supplies	66,327	52,287
Postage	1,831	1,516
Rent	455,915	448,814
Telephone	9,086	7,887
Professional publications	919	1,027
Legal and audit	55,657	44,435
Reproductions	1,667	2,949
Insurance	25,379	26,907
Professional services	49,000	40,146
Legal notices	857	143
Depreciation	23,804	24,891
Payroll processing	7,892	7,531
Internet	7,330	6,061
Retirement plan admin & education fees	4,515	3,447
Other	1,954	2,492
Total indirect costs	\$ 1,885,842	\$ 1,817,600
Allocation base: Direct personnel	\$ 1,520,688	\$ 1,447,903
Indirect cost rate applied	<u>124.01%</u>	<u>125.53%</u>

**Notes:**

1. Approval of the provisional indirect cost rate for the year ended June 30, 2018 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 124.01 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 2018 for grant invoicing purposes. The final 2018 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 2017 TRANSPORTATION PLANNING**  
**JUNE 30, 2018**

	Budget	Cumulative Revenues and Expenditures as of June 30, 2017	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2018
<b>Operating Revenues:</b>				
Federal and state grants				
Ohio: ODOT (MPO-PL Funds)	\$ 2,315,276	\$ 1,899,838	\$ 415,439	\$ 2,315,277
Kentucky: KYTC (HPR-PL Funds)	716,835	412,053	264,727	676,780
Kentucky: KYTC (FTA Funds)	144,427	111,826	20,469	132,295
Indiana: INDOT (Trans PL Funds)	25,000	24,992	-	24,992
State matching funds Ohio	289,409	237,480	51,930	289,410
State matching funds Kentucky	29,802	23,075	4,224	27,299
County matching funds	421,174	340,266	71,665	411,931
Local contracts	60,000	11,356	49,287	60,643
<b>Total Operating Revenues</b>	<b>4,001,923</b>	<b>3,060,886</b>	<b>877,741</b>	<b>3,938,627</b>
<b>Operating Expenses:</b>				
Direct expenses				
Personnel	1,093,307	884,705	211,645	1,096,350
Fringe benefits	809,047	631,968	153,721	785,689
Travel, subsistence & professional	65,987	58,016	13,069	71,085
Printing, marketing & contractual	635,000	335,465	210,810	546,275
Other direct expenses	35,119	13,357	25,839	39,196
Indirect costs	1,363,463	1,137,375	262,657	1,400,032
<b>Total Operating Expenses</b>	<b>4,001,923</b>	<b>3,060,886</b>	<b>877,741</b>	<b>3,938,627</b>
<b>Tasks:</b>				
Short range planning	66,460	60,095	11,830	71,925
Transportation improvement program	187,103	172,867	25,466	198,333
Surveillance	1,851,861	1,482,222	338,719	1,820,941
Long range planning	970,464	776,764	177,964	954,728
Public involvement	330,570	294,257	63,294	357,551
INDOT exclusive	31,250	31,240	-	31,240
KYTC exclusive - Boone County study	300,000	53,565	248,382	301,947
KYTC exclusive - transportation planning	163,202	97,968	-	97,968
UPWP administration	32,120	25,961	3,958	29,919
Transportation program reporting	7,100	6,790	-	6,790
Mobile source emissions planning	61,793	59,157	8,128	67,285
<b>Total Tasks</b>	<b>\$ 4,001,923</b>	<b>\$ 3,060,886</b>	<b>\$ 877,741</b>	<b>\$ 3,938,627</b>

**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) as of June 30, 2017 are associated with FY17 KY contracts. Kentucky revenues (PL, FTA, and state) for the current fiscal year are associated with FY17 Boone County study (\$197,149) and FY18 KY contracts (\$67,579). Please see footnote #3 on the FY 2018 Transportation Planning schedule. All within budget.
- As of June 30, 2018, 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 2018 CLEAN AIR (OZONE AWARENESS)**  
**JUNE 30, 2018**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
<b>Operating Revenues:</b>			
Federal and state grants			
Ohio: ODOT (CMAQ)	\$ 192,981	\$ 173,140	\$ 173,140
Kentucky: KYTC (SNK)	40,900	36,696	36,696
Contributed services	<u>10,225</u>	<u>10,225</u>	<u>10,225</u>
 Total Operating Revenues	 <u>244,106</u>	 <u>220,061</u>	 <u>220,061</u>
<b>Operating Expenses:</b>			
Direct expenses			
Personnel	10,553	10,052	10,052
Fringe benefits	7,691	6,901	6,901
Printing, marketing & contractual	200,000	176,342	176,342
Other direct expenses	2,550	3,924	3,924
Indirect costs	13,087	12,617	12,617
Contributed services	<u>10,225</u>	<u>10,225</u>	<u>10,225</u>
 Total Operating Expenses	 <u>244,106</u>	 <u>220,061</u>	 <u>220,061</u>
<b>Non-operating Revenues (Expenses):</b>			
Contributed services revenues	55,299	42,018	42,018
Contributed services expenses	<u>(55,299)</u>	<u>(42,018)</u>	<u>(42,018)</u>
 Total Non-operating Revenues (Expenses)	 <u>-</u>	 <u>-</u>	 <u>-</u>
<b>Tasks:</b>			
Regional Clean Air Program	<u>244,106</u>	<u>262,079</u>	<u>262,079</u>
 Total Tasks	 <u>\$ 244,106</u>	 <u>\$ 262,079</u>	 <u>\$ 262,079</u>

**NOTES:**

1. State grants and contracts consist of the following:
  - a. ODOT agreement for July 1, 2017 through June 30, 2018 for \$192,981 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, 2017 through June 30, 2018 for \$40,900 in KYTC/SNK. Expenses reimbursed to OKI at a participation rate of 17.4877 percent of FY2018 expenses, matched with contributed services. A minimum 20% match was required and exceeded.
2. As of June 30, 2018, 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 2018 SURFACE TRANSPORTATION PROGRAM (STP)**  
**JUNE 30, 2018**

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2018
<b>Operating Revenues:</b>			
Federal and state grants			
Ohio: ODOT (STP)	\$ 428,774	\$ 327,824	\$ 327,824
Kentucky: KYTC (SNK)	72,700	55,583	55,583
Indiana: INDOT (STP)	25,000	25,000	25,000
County matching funds	19,350	18,921	18,921
Local contracts	5,075	1,245	1,245
<b>Total Operating Revenues</b>	<b>550,899</b>	<b>428,573</b>	<b>428,573</b>
<b>Operating Expenses:</b>			
Direct expenses			
Personnel	159,357	142,816	142,816
Fringe benefits	116,147	98,057	98,057
Travel, subsistence & professional	16,672	5,973	5,973
Printing, marketing & contractual	60,000	-	-
Other direct expenses	1,101	2,445	2,445
Indirect costs	197,622	179,282	179,282
<b>Total Operating Expenses</b>	<b>550,899</b>	<b>428,573</b>	<b>428,573</b>
<b>Tasks:</b>			
Long range planning land use	374,549	373,663	373,663
FIAM implementation	145,100	23,640	23,640
INDOT	31,250	31,270	31,270
<b>Total Tasks</b>	<b>\$ 550,899</b>	<b>\$ 428,573</b>	<b>\$ 428,573</b>

**NOTES:**

1. The grant period for the Land Use, FIAM and INDOT Surface Transportation Program agreements is July 1, 2017 through June 30, 2018.
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 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 match from county and local funds.
4. The INDOT task was funded with 80 percent federal STP funds matched 20 percent from county and local funds. This task was overrun by \$20 which is immaterial and was paid with county funds.
5. As of June 30, 2018, 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 2018 RIDESHARE**  
**JUNE 30, 2018**

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2018
<b>Operating Revenues:</b>			
Federal and state grants			
Ohio: ODOT (CMAQ)	\$ 171,749	\$ 156,144	\$ 156,144
Kentucky: KYTC (SNK)	36,400	33,093	33,093
Contributed services	9,100	9,100	9,100
<b>Total Operating Revenues</b>	<b>217,249</b>	<b>198,337</b>	<b>198,337</b>
<b>Operating Expenses:</b>			
Direct expenses			
Personnel	22,011	15,331	15,331
Fringe benefits	16,042	10,526	10,526
Travel, subsistence & professional	260	-	-
Printing, marketing & contractual	142,500	143,948	143,948
Other direct expenses	40	188	188
Indirect costs	27,296	19,244	19,244
Contributed services	9,100	9,100	9,100
<b>Total Operating Expenses</b>	<b>217,249</b>	<b>198,337</b>	<b>198,337</b>
<b>Non-operating Revenues (Expenses):</b>			
Contributed services revenues	-	30,510	30,510
Contributed services expenses	-	(30,510)	(30,510)
<b>Total Non-operating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Tasks:</b>			
RideShare	217,249	228,847	228,847
<b>Total Tasks</b>	<b>\$ 217,249</b>	<b>\$ 228,847</b>	<b>\$ 228,847</b>

**NOTES:**

1. State grants and contracts consist of the following:
  - a. ODOT agreement for the period July 1, 2017 through June 30, 2018 for \$171,749 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, 2017 through June 30, 2018 for \$36,400 in KYTC/SNK, reimbursed to OKI at a participation rate of 17.4877 percent of the FY2018 RideShare program and matched with contributed services. A minimum 20% match was required and exceeded.
2. As of June 30, 2018, 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, 2018**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
<b>Operating Revenues:</b>				
Federal and state grants				
Federal FTA	\$ 148,335	\$ 143,163	\$ 5,171	\$ 148,334
County matching funds	-	-	1	1
	<u>148,335</u>	<u>143,163</u>	<u>5,172</u>	<u>148,335</u>
<b>Operating Expenses:</b>				
<b>Direct expenses</b>				
Personnel	49,168	47,567	1,738	49,305
Fringe benefits	35,631	33,902	1,193	35,095
Travel, subsistence & professional	125	264	-	264
Other direct expenses	4,025	1,574	59	1,633
<b>Indirect costs</b>	<u>59,386</u>	<u>59,856</u>	<u>2,182</u>	<u>62,038</u>
	<u>148,335</u>	<u>143,163</u>	<u>5,172</u>	<u>148,335</u>
<b>Tasks:</b>				
Job Access Reverse Commute	<u>148,335</u>	<u>143,163</u>	<u>5,172</u>	<u>148,335</u>
	<u>\$ 148,335</u>	<u>\$ 143,163</u>	<u>\$ 5,172</u>	<u>\$ 148,335</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, 2018, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES**  
**OEPA**  
**FY 2018 OEPA STATE BIENNIUM WATER**  
**JUNE 30, 2018**

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2018
<b>Operating Revenues:</b>			
Federal and state grants			
Ohio: OEPA (EPA Funds)	\$ 75,000	\$ 75,000	\$ 75,000
County matching funds	-	58	58
Total Operating Revenues	75,000	75,058	75,058
<b>Operating Expenses:</b>			
Direct expenses			
Personnel	25,167	25,103	25,103
Fringe benefits	18,343	17,236	17,236
Travel, subsistence & professional	180	1,143	1,143
Other direct expenses	100	63	63
Indirect costs	31,210	31,513	31,513
Total Operating Expenses	75,000	75,058	75,058
<b>Tasks:</b>			
General assembly	75,000	75,058	75,058
Total Tasks	\$ 75,000	\$ 75,058	\$ 75,058

**NOTES:**

1. The grant period under the OEPA FY2018 State Biennium Water contract is July 1, 2017 through June 30, 2018 (State of Ohio grant).
2. As of June 30, 2018, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES**  
**OEPA**  
**FY 2018 OEPA 604B WATER QUALITY PLANNING**  
**JUNE 30, 2018**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
<b>Operating Revenues:</b>			
Federal and state grants			
Ohio: OEPA (EPA Funds)	\$ 50,667	\$ 50,667	\$ 50,667
County matching funds	-	41	41
	<u>50,667</u>	<u>50,708</u>	<u>50,708</u>
<b>Operating Expenses:</b>			
Direct expenses			
Personnel	16,550	17,069	17,069
Fringe benefits	12,062	11,720	11,720
Travel, subsistence & professional	330	491	491
Other direct expenses	1,200	-	-
Indirect costs	<u>20,525</u>	<u>21,428</u>	<u>21,428</u>
	<u>50,667</u>	<u>50,708</u>	<u>50,708</u>
<b>Tasks:</b>			
Program coordination	<u>50,667</u>	<u>50,708</u>	<u>50,708</u>
	<u>\$ 50,667</u>	<u>\$ 50,708</u>	<u>\$ 50,708</u>

**NOTES:**

1. The grant period under the OEPA FY2018 State 604B Water Quality Planning contract is July 1, 2017 through June 30, 2018.
2. As of June 30, 2018, 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, 2018**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
<b>Operating Revenues:</b>				
Federal and state grants				
Federal DOA	\$ 196,270	\$ 170,537	\$ 25,728	\$ 196,265
County matching funds	80,030	84,466	1,608	86,074
Contributed services	<u>116,240</u>	<u>84,247</u>	<u>34,954</u>	<u>119,201</u>
<b>Total Operating Revenues</b>	<u>392,540</u>	<u>339,250</u>	<u>62,290</u>	<u>401,540</u>
<b>Operating Expenses:</b>				
<b>Direct expenses</b>				
Personnel	43,424	42,445	2,167	44,612
Fringe benefits	31,226	30,566	1,487	32,053
Travel, subsistence & professional	6,699	6,179	-	6,179
Printing, marketing & contractual	140,990	120,321	20,668	140,989
Other direct expenses	1,378	1,854	294	2,148
Indirect costs	52,583	53,638	2,720	56,358
Contributed services	<u>116,240</u>	<u>84,247</u>	<u>34,954</u>	<u>119,201</u>
<b>Total Operating Expenses</b>	<u>392,540</u>	<u>339,250</u>	<u>62,290</u>	<u>401,540</u>
<b>Tasks:</b>				
National Urban and Community Forestry	<u>392,540</u>	<u>339,250</u>	<u>62,290</u>	<u>401,540</u>
<b>Total Tasks</b>	<u>\$ 392,540</u>	<u>\$ 339,250</u>	<u>\$ 62,290</u>	<u>\$ 401,540</u>

**NOTES:**

- The original project period for the Integrating Trees into Stormwater Management Design and Policy was July 1, 2015 through June 30, 2017. During FY2017 the project was extended through December 31, 2017.
- 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 *Integrating Trees Into Stormwater Management Design and Policy - A Guide for Local Decision Makers*.
- As of June 30, 2018, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES**  
**OKI**  
**FY 2018 LOCAL WATER QUALITY PLANNING PROJECT**  
**JUNE 30, 2018**

	<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	\$ 58,301	\$ 41,749	\$ 41,749
Total Operating Revenues	<u>58,301</u>	<u>41,749</u>	<u>41,749</u>
Operating Expenses:			
Direct expenses			
Personnel	16,454	13,690	13,690
Fringe benefits	11,992	9,400	9,400
Travel, subsistence & professional	1,614	1,097	1,097
Other direct expenses	7,836	376	376
Indirect costs	<u>20,405</u>	<u>17,186</u>	<u>17,186</u>
Total Operating Expenses	<u>58,301</u>	<u>41,749</u>	<u>41,749</u>
Tasks:			
Local water quality planning	<u>58,301</u>	<u>41,749</u>	<u>41,749</u>
Total Tasks	<u>\$ 58,301</u>	<u>\$ 41,749</u>	<u>\$ 41,749</u>

**NOTES:**

1. The project period for Local Water Quality Planning was July 1, 2017 through June 30, 2018.
2. Budget amounts were derived from fiscal 2018 overall agency budget.
3. As of June 30, 2018, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES**  
**OKI**  
**FY 2018 LOCAL REGIONAL PLANNING**  
**JUNE 30, 2018**

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2018
Operating Revenues:			
County matching funds	\$ 52,459	\$ 29,247	\$ 29,247
Total Operating Revenues	52,459	29,247	29,247
Operating Expenses:			
Direct expenses			
Personnel	17,444	9,811	9,811
Fringe benefits	12,713	6,736	6,736
Travel, subsistence & professional	200	283	283
Other direct expenses	471	100	100
Indirect costs	21,631	12,317	12,317
Total Operating Expenses	52,459	29,247	29,247
Tasks:			
Local regional planning	52,459	29,247	29,247
Total Tasks	\$ 52,459	\$ 29,247	\$ 29,247

**NOTES:**

1. The project period for Local Regional Planning program was July 1, 2017 through June 30, 2018.
2. Budget amounts were derived from fiscal 2018 overall agency budget.
3. As of June 30, 2018, 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 2018 TRANSPORTATION PLANNING**  
**JUNE 30, 2018**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
<b>Operating Revenues:</b>			
Federal and state grants			
Ohio: ODOT (MPO-PL Funds)	\$ 2,359,573	\$ 1,896,010	\$ 1,896,010
Kentucky: KYTC (HPR-PL Funds)	463,972	375,166	375,166
Kentucky: KYTC (FTA Funds)	140,531	113,639	113,639
Indiana: INDOT (Trans PL Funds)	25,000	25,000	25,000
State matching funds Ohio	294,947	237,001	237,001
State matching funds Kentucky	28,998	23,448	23,448
County matching funds	423,324	342,012	342,012
Other revenue	-	29,365	29,365
	<u>3,736,345</u>	<u>3,041,641</u>	<u>3,041,641</u>
<b>Operating Expenses:</b>			
<b>Direct expenses</b>			
Personnel	1,127,476	932,008	932,008
Fringe benefits	821,762	631,503	631,503
Travel, subsistence & professional	61,745	38,886	38,886
Printing, marketing & contractual	235,000	221,863	221,863
Other direct expenses	92,156	44,374	44,374
Indirect costs	<u>1,398,206</u>	<u>1,173,007</u>	<u>1,173,007</u>
	<u>3,736,345</u>	<u>3,041,641</u>	<u>3,041,641</u>
<b>Tasks:</b>			
Short range planning	77,000	58,035	58,035
Transportation improvement program	161,000	150,009	150,009
Continuing planning - surveillance	1,822,592	1,508,590	1,508,590
Transportation Plan	936,886	808,287	808,287
Long range planning - Conference on Freight	210,000	48,558	48,558
Transportation services	307,000	277,157	277,157
INDOT exclusive - Dearborn Co. Tran Planning	31,250	31,261	31,261
KYTC exclusive - transportation planning	130,517	108,702	108,702
UPWP administration	20,100	14,522	14,522
Transportation program reporting	10,000	5,106	5,106
Mobile source emissions planning	<u>30,000</u>	<u>31,414</u>	<u>31,414</u>
	<u>\$ 3,736,345</u>	<u>\$ 3,041,641</u>	<u>\$ 3,041,641</u>

**NOTES:**

- The grant period for FY 2018 MPO Transportation Planning is July 1, 2017 through December 31, 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 FY17 carryover revenues and appear on the FY2017 Transportation PL page in the current year column. Total KY PL for FY2018 was \$67,579 + \$375,166 = \$442,745 from the MPO planning contract. Total KY FTA for FY2018 was \$20,469 + \$113,639 = \$134,108. Total KY State for FY2018 was \$4,224 + \$23,448 = \$27,672. All within budget.
- The planning for the Ohio Conference on Freight hosted by OKI in August 2018 began in fiscal year 2018. OKI received unbudgeted early partnerships resulting in \$29,365 in other revenue.
- As of June 30, 2018, 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, 2018**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
<b>Operating Revenues:</b>				
Federal and state grants				
Federal FTA	\$ 74,821	\$ 5,818	\$ 14,431	\$ 20,249
Total Operating Revenues	<u>74,821</u>	<u>5,818</u>	<u>14,431</u>	<u>20,249</u>
<b>Operating Expenses:</b>				
Direct expenses				
Personnel	25,048	1,941	4,892	6,833
Fringe benefits	18,536	1,395	3,359	4,754
Other direct expenses	-	-	39	39
Indirect costs	<u>31,237</u>	<u>2,482</u>	<u>6,141</u>	<u>8,623</u>
Total Operating Expenses	<u>74,821</u>	<u>5,818</u>	<u>14,431</u>	<u>20,249</u>
<b>Tasks:</b>				
Job Access Reverse Commute	<u>74,821</u>	<u>5,818</u>	<u>14,431</u>	<u>20,249</u>
Total Tasks	<u>\$ 74,821</u>	<u>\$ 5,818</u>	<u>\$ 14,431</u>	<u>\$ 20,249</u>

**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, 2018, 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, 2018**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
<b>Operating Revenues:</b>				
Federal and state grants				
Federal FTA	\$ 50,035	\$ 31,198	\$ 6,882	\$ 38,080
Total Operating Revenues	<u>50,035</u>	<u>31,198</u>	<u>6,882</u>	<u>38,080</u>
<b>Operating Expenses:</b>				
Direct expenses				
Personnel	16,538	10,475	2,339	12,814
Fringe benefits	12,418	7,575	1,606	9,181
Other direct expenses	-	145	-	145
Indirect costs	<u>21,079</u>	<u>13,003</u>	<u>2,937</u>	<u>15,940</u>
Total Operating Expenses	<u>50,035</u>	<u>31,198</u>	<u>6,882</u>	<u>38,080</u>
<b>Tasks:</b>				
New Freedom Administration	<u>50,035</u>	<u>31,198</u>	<u>6,882</u>	<u>38,080</u>
Total Tasks	<u>\$ 50,035</u>	<u>\$ 31,198</u>	<u>\$ 6,882</u>	<u>\$ 38,080</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, 2018 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, 2018**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
<b>Operating Revenues:</b>				
Federal and state grants				
Federal FTA	\$ 385,212	\$ 346,345	\$ 12,674	\$ 359,019
Contributed services	<u>385,212</u>	<u>413,468</u>	<u>12,674</u>	<u>426,142</u>
Total Operating Revenues	<u>770,424</u>	<u>759,813</u>	<u>25,348</u>	<u>785,161</u>
<b>Operating Expenses:</b>				
Direct expenses				
Printing, marketing & contractual	385,212	346,345	12,674	359,019
Contributed services	<u>385,212</u>	<u>413,468</u>	<u>12,674</u>	<u>426,142</u>
Total Operating Expenses	<u>770,424</u>	<u>759,813</u>	<u>25,348</u>	<u>785,161</u>
<b>Tasks:</b>				
Towne Taxi	130,212	53,058	25,348	78,406
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>\$ 759,813</u>	<u>\$ 25,348</u>	<u>\$ 785,161</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, 2018, 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 ADMINISTRATION PROGRAM**  
**JUNE 30, 2018**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
<b>Operating Revenues:</b>				
Federal and state grants				
Federal FTA	\$ 271,671	\$ 75,540	\$ 38,477	\$ 114,017
Total Operating Revenues	<u>271,671</u>	<u>75,540</u>	<u>38,477</u>	<u>114,017</u>
<b>Operating Expenses:</b>				
<b>Direct expenses</b>				
Personnel	44,405	10,697	9,502	20,199
Fringe benefits	33,344	7,709	6,524	14,233
Travel, subsistence & professional	215	62	-	62
Printing, marketing & contractual	135,835	43,147	10,496	53,643
Other direct expenses	1,274	478	26	504
Indirect costs	<u>56,598</u>	<u>13,447</u>	<u>11,929</u>	<u>25,376</u>
Total Operating Expenses	<u>271,671</u>	<u>75,540</u>	<u>38,477</u>	<u>114,017</u>
<b>Tasks:</b>				
FTA - 5310 transit planning activities	<u>271,671</u>	<u>75,540</u>	<u>38,477</u>	<u>114,017</u>
Total Tasks	<u>\$ 271,671</u>	<u>\$ 75,540</u>	<u>\$ 38,477</u>	<u>\$ 114,017</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, 2018, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES**  
**FTA**  
**FY 2017 FTA 5310 TRANSIT PLANNING ADMINISTRATION PROGRAM**  
**JUNE 30, 2018**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
<b>Operating Revenues:</b>			
Federal and state grants			
Federal FTA	\$ 408,336	\$ 36,563	\$ 36,563
Total Operating Revenues	<u>408,336</u>	<u>36,563</u>	<u>36,563</u>
<b>Operating Expenses:</b>			
Direct expenses			
Personnel	69,969	6,448	6,448
Fringe benefits	51,072	4,427	4,427
Travel, subsistence & professional	200	138	138
Printing, marketing & contractual	200,000	16,689	16,689
Other direct expenses	100	767	767
Indirect costs	<u>86,995</u>	<u>8,094</u>	<u>8,094</u>
Total Operating Expenses	<u>408,336</u>	<u>36,563</u>	<u>36,563</u>
<b>Tasks:</b>			
FTA - 5310 transit planning activities	<u>408,336</u>	<u>36,563</u>	<u>36,563</u>
Total Tasks	<u>\$ 408,336</u>	<u>\$ 36,563</u>	<u>\$ 36,563</u>

**NOTES:**

1. The FTA 5310 transit planning grant began January 31, 2017.
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
4. As of June 30, 2018, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES**  
**FTA**  
**FY 2017 FTA 5310 TRANSIT PLANNING PASS-THROUGH PROGRAM**  
**JUNE 30, 2018**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
<b>Operating Revenues:</b>			
Federal and state grants			
Federal FTA	\$ 163,332	\$ 40,342	\$ 40,342
Contributed services	40,833	10,461	10,461
	<u>204,165</u>	<u>50,803</u>	<u>50,803</u>
<b>Operating Expenses:</b>			
Direct expenses			
Printing, marketing & contractual	163,332	40,342	40,342
Contributed services	40,833	10,461	10,461
	<u>204,165</u>	<u>50,803</u>	<u>50,803</u>
<b>Tasks:</b>			
Clermont Senior Services - license renewal	37,500	13,125	13,125
Clermont Senior Services - preventive maintenance	48,590	-	-
No. Ky Area Development District - mobility mgmt	100,000	37,678	37,678
Jewish Community Center - preventive maintenance	11,875	-	-
Episcopal Retirement Homes - preventative maint	6,200	-	-
	<u>\$ 204,165</u>	<u>\$ 50,803</u>	<u>\$ 50,803</u>

**NOTES:**

1. The FTA 5310 transit planning grant began January 31, 2017.
2. The FTA 5310 Transit Planning grant pass through projects are funded at 80% for capital and planning 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 20% match.
4. As of June 30, 2018, 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, 2018**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2017</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>
Operating Revenues:				
Local contracts	\$ 500,000	\$ 8,018	\$ 101,677	\$ 109,695
Total Operating Revenues	<u>500,000</u>	<u>8,018</u>	<u>101,677</u>	<u>109,695</u>
Operating Expenses:				
Direct expenses				
Personnel	73,650	2,667	30,202	32,869
Fringe benefits	55,874	1,918	20,737	22,655
Travel, subsistence & professional	-	-	39	39
Printing, marketing & contractual	274,500	-	12,645	12,645
Other direct expenses	2,266	22	140	162
Indirect costs	<u>93,710</u>	<u>3,411</u>	<u>37,914</u>	<u>41,325</u>
Total Operating Expenses	<u>500,000</u>	<u>8,018</u>	<u>101,677</u>	<u>109,695</u>
Tasks:				
Duke class benefit fund energy plans	<u>500,000</u>	<u>8,018</u>	<u>101,677</u>	<u>109,695</u>
Total Tasks	<u>\$ 500,000</u>	<u>\$ 8,018</u>	<u>\$ 101,677</u>	<u>\$ 109,695</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 it's southwest Ohio member counties with energy efficiency plans.
3. As of June 30, 2018, no costs subject to audit have been questioned.

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**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>Federal Grantor/ Pass-through Grantor/ Program/Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Direct Grant or Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U. S. Department of Agriculture</b>				
<i>Direct Programs</i>				
<b>Urban and Community Forestry Program</b>	<b>10.675</b>			
Integrating Trees Into Stormwater Management Design		15-DG-11132544-036	\$ 20,668	\$ 25,728
<b>Total CFDA 10.675</b>			<b>20,668</b>	<b>25,728</b>
<b>Total U. S. Department of Agriculture</b>			<b>20,668</b>	<b>25,728</b>
<b>U. S. Department of Transportation</b>				
<i>Federal Transit Administration - Transit Services Programs Cluster</i>				
<i>Direct Programs</i>				
<b>Enhanced Mobility of Seniors and Individuals with Disabilities</b>	<b>20.513</b>			
FTA 5310 Transit Planning Administration		OH-16-X012-02	10,496	38,477
FTA 5310 Transit Planning Administration		OH-2017-005-01	16,689	36,563
FTA 5310 Transit Planning Pass-Through		OH-2017-005-02	40,342	40,342
<b>Total CFDA 20.513</b>			<b>67,527</b>	<b>115,382</b>
<b>Job Access and Reverse Commute Program</b>	<b>20.516</b>			
Job Access and Reverse Commute Administration		OH-37-X088-00	-	5,171
Job Access and Reverse Commute Administration		OH-37-X099-00	-	14,431
<b>Total CFDA 20.516</b>			<b>-</b>	<b>19,602</b>
<b>New Freedom Program</b>	<b>20.521</b>			
New Freedom Pass -Through		OH-57-X061-00	12,674	12,674
New Freedom Administration		OH-57-X064-00	-	6,882
<b>Total CFDA 20.521</b>			<b>12,674</b>	<b>19,556</b>
<b>Total Direct Programs - U.S. Department of Transportation</b>			<b>80,201</b>	<b>154,540</b>
<i>Federal Highway Administration - Highway Planning and Construction Cluster</i>				
<i>Programs Passed Through Ohio Department of Transportation (ODOT)</i>				
<b>Highway Planning and Construction</b>	<b>20.205</b>			
Clean Air - Ozone Awareness (CMAQ funds)		731800	-	173,140
Ride Share (CMAQ funds)		731801	-	156,144
Transportation Planning (MPO-PL funds)		730279	-	415,439
Transportation Planning (MPO-PL funds)		731814	-	1,896,010
Surface Transportation (STP funds)		731798	-	308,318
Surface Transportation (STP funds)		731799	-	19,506
<b>Total CFDA 20.205 (passed through ODOT)</b>			<b>-</b>	<b>2,968,557</b>
<i>Programs Passed Through Kentucky Transportation Cabinet (KYTC)</i>				
<b>Highway Planning and Construction</b>	<b>20.205</b>			
Transportation Planning (HPR-PL funds)		1700005048	-	442,745
Transportation Planning (HPR-PL funds)		1700000431	-	197,148
Ride Share (SNK funds)		1700006004	-	33,093
Clean Air - Ozone Awareness (SNK funds)		1700006004	-	36,696
Surface Transportation (SNK funds)		1700006004	-	55,583
<b>Total CFDA 20.205 (passed through KYTC)</b>			<b>-</b>	<b>765,265</b>
<i>Programs Passed Through Indiana Department of Transportation (INDOT)</i>				
<b>Highway Planning and Construction</b>	<b>20.205</b>			
Transportation Planning (PL funds)		A249-17-G170039	-	25,000
Surface Transportation (STP funds)		A249-17-G170039	-	25,000
<b>Total CFDA 20.205 (passed through INDOT)</b>			<b>-</b>	<b>50,000</b>
<b>Total CFDA 20.205</b>			<b>-</b>	<b>3,783,822</b>

(continued)

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2018**

<b>Federal Grantor/ Pass-through Grantor/ Program/Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Direct Grant or Pass-through Entity Identifying Number</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<i>Federal Transit Administration - Metropolitan Planning</i>				
<i>Programs Passed Through Kentucky Transportation Cabinet (KYTC)</i>				
<b>Metropolitan Transportation Planning</b>	<b>20.505</b>			
Transportation Planning (FTA funds)		KY-2017-002-01	-	134,108
<b>Total CFDA 20.505</b>			<u>-</u>	<u>134,108</u>
<b>Total Passed Through Programs - U.S. Department of Transportation</b>			<u>-</u>	<u>3,917,930</u>
<b>Total U. S. Department of Transportation</b>			<u>80,201</u>	<u>4,072,470</u>
<b><u>U. S. Environmental Protection Agency</u></b>				
<i>Programs Passed Through Ohio Environmental Protection Agency (OEPA)</i>				
<b>Water Quality Management Planning</b>	<b>66.454</b>			
Water Quality Planning (EPA funds)		OKI-FD60416	-	50,667
<b>Total CFDA 66.454</b>			<u>-</u>	<u>50,667</u>
<b>Total U. S. Environmental Protection Agency</b>			<u>-</u>	<u>50,667</u>
<b>Total</b>			<u>\$ 100,869</u>	<u>\$ 4,148,865</u>

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, 2018**

**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, 2018. 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.

**Note C – Indirect Cost Rate**

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 D - 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 E – 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.

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# 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, 2018, and the related notes to the financial statements, which collectively comprise OKI's basic financial statements and have issued our report thereon dated December 10, 2018.

### ***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 cursive script that reads "Bastin & Company, L L C". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio  
December 10, 2018

**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, 2018. 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, 2018.

## ***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 10, 2018

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS

SCHEDULE OF FINDINGS  
2 CFR § 200.515  
JUNE 30, 2018

**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**

None

**FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

None

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2018**

There were no findings reported in the prior audit report.

# OHIO AUDITOR OF STATE KEITH FABER



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

**HAMILTON COUNTY**

## **CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
JANUARY 15, 2019**