

**OHIO-KENTUCKY-INDIANA
REGIONAL COUNCIL
OF GOVERNMENTS
HAMILTON COUNTY, OHIO**

AUDIT REPORT

**FOR THE FISCAL YEAR
ENDED JUNE 30, 2019**

James G. Zupka, CPA, Inc.
Certified Public Accountants

OHIO AUDITOR OF STATE
KEITH FABER



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Executive Committee
Ohio-Kentucky-Indiana Regional Council of Governments
720 East Pete Rose Way, Suite 420
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We have reviewed the *Independent Auditor's Report* of the Ohio-Kentucky-Indiana Regional Council of Governments, Hamilton County, prepared by James G. Zupka, CPA, Inc., for the audit period July 1, 2018 through June 30, 2019. 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 "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

January 13, 2020

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**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
AUDIT REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO**

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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INDEPENDENT AUDITOR'S REPORT

To the Executive Committee
Ohio-Kentucky-Indiana Regional Council of Governments
Cincinnati, Ohio

The Honorable Keith Faber
Auditor
State of Ohio

Report on the Financial Statements

We have audited the accompanying financial statements of the Ohio-Kentucky-Indiana Regional Council of Governments, Ohio (OKI), as of and for the years ended June 30, 2019 and 2018, 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 the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to OKI's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of OKI's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of OKI as of June 30, 2019 and 2018, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements Audited by a Predecessor Auditor

The financial statements of the Ohio-Kentucky-Indiana Regional Council of Governments, Ohio (OKI), as of and for the year ended June 30, 2018, were audited by predecessor auditors whose report dated December 10, 2018, expressed an unmodified opinion on those statements.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise OKI's basic financial statements. 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 part of the basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of 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 also not a required part of the basic financial statements.

The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We and the other auditors subjected this information to the auditing procedures applied in the audit of the basic financial statements. We and the other auditors also applied certain additional procedures, including comparing and reconciling such 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 as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2019, on our consideration of OKI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

James G. Zupka,
CPA, President
James G. Zupka, CPA, Inc.
Certified Public Accountants

Digitally signed by James G. Zupka, CPA,
President
DN: cn=James G. Zupka, CPA, President,
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December 18, 2019

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**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019
(Unaudited)**

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI) offers this narrative overview and analysis of OKI's financial performance during the fiscal year ending June 30, 2019. 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 118 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; however, 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 yearlong study commissioned by Governor Bevin (KY) concluded in late 2018 that a new Brent Spence Bridge is necessary and 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 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

Announced in June 2019, the purchase agreement was extended again for a site near Lawrenceburg that could potentially serve as Indiana's fourth port. The Ports of Indiana originally signed the agreement in September 2017 to acquire up to 725 acres of land that formerly housed the American Electric Power plant. Governor Holcomb's office says the option has again been extended six months to allow Tanners Creek Development LLC to complete its environmental remediation plan for the site and submit it to the Indiana Department of Environmental Management. In 2018, Indiana's three existing ports handled a record 14.8 million tons of cargo.



Riverfront Commons

OKI working with Kentucky's Southbank Partners are developing an 11.5-mile pedestrian/bicycle trail that links Northern Kentucky's six river cities - Ludlow, Covington, Newport, Bellevue, Dayton and Fort Thomas - to the City of Cincinnati and other local trail systems. Riverfront Commons will be an integrated, continuous public corridor of multi-use trails, plazas, overlooks, parks and event venues that link six of Northern Kentucky's communities.



Freight

Our region is a major link in America's freight transportation network. Upwards of 323 million tons of freight moves through the region annually. OKI's comprehensive freight plan includes multi-modal improvements to enhance the region's freight transportation system. More details may be found at www.freight.oki.org. OKI is scheduled to host the Ohio Conference on Freight in 2021.



Cincinnati Mobility Lab

Progress continues with the Cincinnati Mobility Lab, with OKI sharing data and insights for study collection, engagement of employers along with activating 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.



Interactive Job Hubs

The Interactive Job Hubs Map was launched in February 2018 by the Cincinnati Chamber, REDI Partnership and OKI as an innovative new tool that identifies the region's densest areas of employment and detail how accessible they are to jobs by car or public transit. Part of the *Connected Region Initiative*, the tool will inform public officials, economic developers, transportation and planning leaders, and the general public on the hubs of activity and commerce that need to be connected. Hubs are defined based on employer density and number of employees as well as aligning with local government and economic development opportunities.



Solar Ready

OKI collaborated 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 <http://solar.oki.org/map/> to provide general information about the estimated annual solar energy potential on building rooftops in the OKI region.



The Coordinated Public Transit

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. The Coordinated Plan addresses Section 5310 (Enhanced Mobility of Seniors and Individuals with Disabilities) of Title 49 of the U.S. Code (U.S.C.) and is used by OKI to prioritize and identify projects to invest 5310 federal funding in the region.



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 2019:

- 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 FY19 plans were completed for Colerain Township and Silverton and plans were initiated for Middletown, North College Hill, and Turtlecreek and Harlan Townships. 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. During FY19 program funding was re-organized to transfer \$120,000 community implementation funds from OKI's program budget to the Greater Cincinnati Energy Alliance, who is managing the disbursement of those funds.
- 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 2019 the RideShare Program received \$47,475 in contributed services and the Clean Air Program received \$34,550 in contributed services.
- Total assets exceeded liabilities as of June 30, 2019 by \$1,476,786, an increase of \$109,982 from June 30, 2018. 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 \$5,655,181 and operating expenses of \$5,545,199, resulting in operating income of \$109,982. Contributed services in excess of match required by programs and grants totaled \$62,700.

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 \$109,982, 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 16 through 18 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 19 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>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>
Current assets	\$2,311	\$2,338	\$2,022
Capital assets, net	<u>72</u>	<u>46</u>	<u>53</u>
Total assets	<u>2,383</u>	<u>2,384</u>	<u>2,075</u>
Current liabilities	792	898	842
Non-current liabilities	<u>114</u>	<u>119</u>	<u>114</u>
Total liabilities	<u>906</u>	<u>1,017</u>	<u>956</u>
Net position:			
Net investment in capital assets	72	46	53
Unrestricted	<u>1,405</u>	<u>1,321</u>	<u>1,066</u>
Total net position	<u>\$1,477</u>	<u>\$1,367</u>	<u>\$1,119</u>

Current assets decreased by \$27k, or 1.2%, in 2019 due to a decrease in accounts receivable related to the Ohio Conference on Freight that was held in August, 2018 offset by an increase in cash. In 2018 current assets increased by \$316k, or 15.6%, due to an increase in accounts receivable related to the Ohio Conference on Freight held in August, 2018, combined with an increase in cash.

Capital assets increased by \$26k, or 56.5%, in 2019 due to the purchase of two new network servers and traffic data collection software offset by disposal of two outdated network servers. In 2018 capital assets decreased by \$7k, or 13.2%, due to the disposal of an outdated postage meter and related equipment.

Current liabilities decreased by \$106k, or 11.8%, in 2019 due to a decrease in open payables related to not hosting a freight conference this year offset by an increase in unearned revenues associated with an advance received from the Duke Class Benefit Fund. In 2018 current liabilities increased by \$56k, or 6.7%, 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.

Non-current liabilities decreased by \$5k, or 4.2%, in 2019 due to leave payouts associated with three resignations and one retirement during the year. In 2018 non-current liabilities increased by \$5k, or 4.4%, due to a vacation accrual correction made during 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 \$84k, or 6.4%, in 2019 due to continued effective management of local water, regional planning, and general and administrative activities combined with timing of current projects. In 2018 unrestricted net position increased by \$255k, or 23.9%, 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.

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>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>
Federal and state	\$4,291	\$4,224	\$4,281
State, local and county matching	1,114	1,267	1,039
Other revenue	175	82	56
Contributed services	<u>75</u>	<u>77</u>	<u>84</u>
Total operating revenue	<u>5,655</u>	<u>5,650</u>	<u>5,460</u>
Operating expenses			
Salaries and wages	2,550	2,495	2,438
Fringe benefits	1,065	1,058	1,091
Travel, subsistence and professional development	128	115	138
Printing, marketing and contractual	830	922	973
Depreciation	19	28	26
Other expenses	878	707	683
Contributed services	<u>75</u>	<u>77</u>	<u>84</u>
Total operating expenses	<u>5,545</u>	<u>5,402</u>	<u>5,433</u>
Operating income	<u>110</u>	<u>248</u>	<u>27</u>
Non-operating revenues (expenses)			
Contributed services	63	73	19
Contributed marketing	<u>(63)</u>	<u>(73)</u>	<u>(19)</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	110	248	27
Net position, beginning of year	<u>1,367</u>	<u>1,119</u>	<u>1,092</u>
Net position, end of year	<u>\$1,477</u>	<u>\$1,367</u>	<u>\$1,119</u>

Operating revenues increased by 0.1% from 2018 to 2019 due to an increase in other revenues associated with the Ohio Conference on Freight offset by a decrease in state revenues associated with completion of the Boone County study.

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 expenses increased by 2.6% from 2018 to 2019 due to an increase in travel, subsistence, and professional development expenses related to increased training in the area of autonomous and electric vehicles; combined with an increase in other expenses including an increase in meeting expenses related to the conference on freight, an increase in legal fees related to personnel matters and an increase in grant funded capital purchases related to installation of the final two bridge count stations, offset by a decrease in occupancy expenses related to refunds of common area maintenance expenses; offset by decreases in printing, marketing and contractual expenses related to completion of the Boone County Study and lower marketing expenses offset by increased 5310 pass through program activities; combined with a decrease in depreciation expense related to older network servers being fully depreciated.

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.

Contributed services in excess of required match decreased by 13.7% from 2018 to 2019 due to fewer partnerships negotiated for the Clean Air and Rideshare programs.

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.

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	\$4,291	\$4,499	\$ (208)
State, local and county matching	1,114	1,276	(162)
Other revenue	175	52	123
Contributed services	<u>75</u>	<u>32</u>	<u>43</u>
Total operating revenue	<u>5,655</u>	<u>5,859</u>	<u>(204)</u>
Operating expenses			
Salaries and wages	2,550	2,581	31
Fringe benefits	1,065	1,180	115
Travel, subsistence and professional development	128	184	56
Printing, marketing and contractual	830	897	67
Other expenses	897	980	83
Contributed services	<u>75</u>	<u>32</u>	<u>(43)</u>
Total operating expenses	<u>5,545</u>	<u>5,854</u>	<u>309</u>
Non-operating revenues (expenses)			
Contributed services	63	74	(11)
Contributed marketing	<u>(63)</u>	<u>(74)</u>	<u>11</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	110	5	105
Net position, beginning of year	<u>1,367</u>	<u>1,367</u>	<u>-</u>
Net position, end of year	<u>\$1,477</u>	<u>\$1,372</u>	<u>\$ 105</u>

Operating revenues were 96.6% of budget. Federal and state revenues were under budget due to the timing of transportation activities; local revenues were under budget due to changes to the Duke Class Benefit Energy Fund activities; and other revenues were ahead of budget due to Ohio Conference on Freight partnerships being higher than anticipated.

Operating expenses were at 94.7% of budget. Fringe benefit expenses were under budget due to savings experienced on health insurance renewals. Travel and professional development expenses were under 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 FIAM model development activities being postponed and changes to the Duke Class Benefit Energy Fund activities offset by an increases in 5310 program activities. Other expenses were under budget due to delays in installation of the final two bridge count stations and refunds received on lease common area maintenance expenses offset by freight conference expenses and legal expenses related to personnel matters. Contributed services is ahead of budget due to increased 5310 program activities.

In fiscal year 2019, 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, resulting in the \$110k addition to net position.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2019, 2018 and 2017, OKI's capital assets are reflected in the following schedule.

CAPITAL ASSETS (\$ in Thousands)

	<u>FY2019</u>	<u>FY2018</u>	<u>FY2017</u>
Office furniture and equipment	\$ 641	\$ 620	\$ 629
Accumulated depreciation	<u>(569)</u>	<u>(574)</u>	<u>(576)</u>
Total	<u>\$ 72</u>	<u>\$ 46</u>	<u>\$ 53</u>

Net capital assets increased during fiscal year 2019 primarily due to the replacement of two outdated network servers and purchase of traffic data collection software.

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

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 2019.

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 2019 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, 2019 AND 2018

ASSETS		
	2019	2018
CURRENT ASSETS:		
Cash, cash equivalents and investments	\$ 1,321,492	\$ 1,130,580
Accounts receivable	946,516	1,163,218
Prepaid expenses	43,079	44,082
TOTAL CURRENT ASSETS	2,311,087	2,337,880
NONCURRENT ASSETS:		
Capital assets, net	71,930	45,933
TOTAL NONCURRENT ASSETS	71,930	45,933
TOTAL ASSETS	2,383,017	2,383,813
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	233,338	384,766
Accrued expenses	116,358	110,272
Compensated absences	194,639	198,009
Unearned revenue	248,268	205,037
TOTAL CURRENT LIABILITIES	792,603	898,084
NONCURRENT LIABILITIES		
Compensated absences	113,628	118,925
TOTAL NONCURRENT LIABILITIES	113,628	118,925
TOTAL LIABILITIES	906,231	1,017,009
NET POSITION		
Investment in capital assets	71,930	45,933
Unrestricted	1,404,856	1,320,871
TOTAL NET POSITION	\$ 1,476,786	\$ 1,366,804

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, 2019 AND 2018

	2019	2018
OPERATING REVENUES:		
Federal and state grants	\$ 4,291,459	\$ 4,223,865
State, local and county matching funds	1,114,328	1,266,344
Other revenues	174,547	82,104
Contributed services	74,847	77,414
Total Operating Revenues	5,655,181	5,649,727
OPERATING EXPENSES:		
Direct expenses		
Personnel	1,430,917	1,447,903
Fringe benefits	1,009,123	994,120
Travel, subsistence and professional	108,609	90,161
Printing, marketing and contractual	780,663	872,835
Other direct expenses	263,337	102,104
Indirect costs	1,877,703	1,817,600
Contributed services	74,847	77,414
Total Operating Expenses	5,545,199	5,402,137
OPERATING INCOME	109,982	247,590
NON-OPERATING REVENUES (EXPENSES):		
Contributed services revenues	62,700	72,528
Contributed services expenses	(62,700)	(72,528)
Total Non-operating Revenues (Expenses)	-	-
CHANGE IN NET POSITION	109,982	247,590
Net Position Beginning of Year	1,366,804	1,119,214
Net Position End of Year	\$ 1,476,786	\$ 1,366,804

See accompanying notes to the financial statements.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Receipts from federal and state grants	\$ 4,455,399	\$ 4,244,281
Receipts from local grants and matching funds	1,384,787	1,261,014
Payments to employees	(3,617,741)	(3,548,907)
Payments to suppliers	(1,986,661)	(1,708,670)
Net cash provided by (used for) operating activities	235,784	247,718
Cash flows from capital related activities:		
Purchase of fixed assets	(44,872)	(20,400)
Net cash provided by (used for) capital financing activities	(44,872)	(20,400)
Net increase (decrease) in cash and cash equivalents	190,912	227,318
Cash and cash equivalents at beginning of year	1,130,580	903,262
Cash and cash equivalents at end of year	\$ 1,321,492	\$ 1,130,580
Reconciliation of operating income to net cash used for operating activities:		
Operating income	\$ 109,982	\$ 247,590
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	18,875	27,831
Changes in assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable	216,702	(77,345)
Prepaid expenses	1,003	(10,959)
Increase (Decrease) in:		
Accounts payable	(151,428)	45,483
Accrued expenses	6,086	4,814
Unearned revenue	43,231	10,218
Compensated absences	(8,667)	86
Net cash provided by (used for) operating activities	\$ 235,784	\$ 247,718

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, 2019 AND 2018**

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 (GAAP). 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 2019, 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 2019, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals 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 (GAAP) 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

At June 30, 2019, the carrying amount of OKI's deposits was \$620,052 (including \$200 in undeposited cash on hand). Based on criteria described in GASB Statement No. 40, *Deposits and Investments Risk Disclosures*, as of June 30, 2019, \$250,000 of OKI's bank balance of \$620,028 was covered by Federal Depository Insurance and \$240,211 was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in OKI's name, and \$129,817 was uninsured and uncollateralized. OKI's financial institution was approved for a reduced collateral rate of 50 percent through the Ohio Pooled Collateral System, resulting in the uninsured and uncollateralized balance.

Custodial credit risk for deposits is the risk that in the event of bank failure, OKI will not be able to recover deposits or collateral securities that are in the possession of an outside party. Protection of OKI's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC), as well as qualified securities pledged by the institution holding the assets. Ohio law requires that deposits either be insured or protected by:

Eligible securities pledged to OKI and deposited with a qualified trustee by the financial institution as security for repayment whose fair 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 institutions. OPCS requires the total fair value of the securities pledged to be 102 percent of the deposits being secured or a rate set by the Treasurer of State. OKI's financial institution had enrolled in OPCS as of June 30, 2019.

Investments

As of June 30, 2019, OKI had the following investments:

	Measurement	
	<u>Amount</u>	<u>Maturity</u>
STAR Ohio	<u>\$701,440</u>	Average 53.3 Days
Total Investments	<u>\$701,440</u>	

OKI categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs. Level 3 inputs are significant unobservable inputs. The above tables identifies the OKI's recurring fair value measurement as of June 30, 2019. STAR Ohio is reported at its share price (Net Asset value per share).

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, 2019.

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	\$1,321,492	\$ 0
STAR Ohio	<u>(701,440)</u>	<u>701,440</u>
Per Details Presented Above	<u>\$ 620,052</u>	<u>\$701,440</u>

4. ACCOUNTS RECEIVABLE

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

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Receivables Under Contracts and Grants		
Federal	\$ 68,769	\$ 57,186
Ohio	706,698	828,633
Kentucky	142,963	153,241
Indiana	27,724	27,803
Local and County	-	10,000
Receivables Other	<u>362</u>	<u>86,355</u>
Total Receivables	<u>\$946,516</u>	<u>\$ 1,163,218</u>

5. CAPITAL ASSETS

Changes in capital assets for the year that ended June 30, 2019 are summarized below:

<u>Description</u>	Balance			Balance
	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Office furniture and equipment	\$ 619,792	\$ 44,872	\$(23,576)	\$ 641,088
Less: accumulated depreciation	<u>(573,859)</u>	<u>(18,875)*</u>	<u>23,576</u>	<u>(569,158)</u>
Furniture and Equipment net	<u>\$ 45,933</u>	<u>\$ 25,997</u>	<u>\$ -</u>	<u>\$ 71,930</u>

*Depreciation expense of \$14,602 was charged to the indirect cost pool and \$4,273 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, 2018 are summarized below:

<u>Description</u>	Balance			Balance
	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>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.

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, 2019 and 2018, OKI had no borrowings against this line of credit.

7. COMPENSATED ABSENCES

Changes in compensated absences for the year that ended June 30, 2019 are summarized below:

Balance	Entitlements	Usage	Balance	Due
<u>July 1, 2018</u>			<u>June 30, 2019</u>	<u>Within One Year</u>
<u>\$316,934</u>	<u>\$413,241</u>	<u>\$(421,908)</u>	<u>\$308,267</u>	<u>\$194,639</u>

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

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

8. LEASE COMMITMENTS

OKI has an operating lease agreement for office facilities. The base annual lease amount is \$403,800. This amount is subject to annual escalators that are based on landlord cost and occupancy formulas. These escalators are cumulative in nature. During fiscal year 2019, \$45,629 of common area maintenance expenses paid during prior years was credited to OKI by new building owners.

Total rental expense (base lease plus escalators minus credits) was \$384,210 and \$435,874 for the years ended June 30, 2019 and 2018, 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 2019, 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 \$347,272 and \$337,616 for the years ended June 30, 2019 and 2018, 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 2019 and 2018 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 2019 and 2018 was \$363,810 and \$391,378, 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 \$82,025 (\$62,700 in excess of required match) and \$91,853 (\$72,528 in excess of required match) for the years ended June 30, 2019 and 2018, respectively.

The FTA 5310 Pass-Through program received contributed services in the form of partner activities in support of the projects per the grant agreements. The amount of the contributed services was \$55,522 for the year ended June 30, 2019 and \$10,461 for the year ended June 30, 2018.

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, 2019
(with comparative summary total for 2018)

	General & Administrative Activities	Environmental Planning Activities	Regional Planning	Ridesharing Implementation	Transportation Planning Activities	Total 2019	Total 2018
Operating Revenues:							
Federal & state grants	\$ -	\$ 125,267	\$ -	\$ 197,480	\$ 3,968,712	\$ 4,291,459	\$ 4,223,865
State, local and county matching funds	157,610	45,858	136,641	-	774,219	1,114,328	1,266,344
Other revenue	73,510	-	-	-	101,037	174,547	82,104
Contributed services	-	-	-	9,100	65,747	74,847	77,414
Total Operating Revenues	231,120	171,125	136,641	206,580	4,909,715	5,655,181	5,649,727
Operating Expenses:							
Direct expenses							
Personnel	13,345	55,260	39,438	20,187	1,302,687	1,430,917	1,447,903
Fringe benefits	9,411	38,971	27,813	14,237	918,691	1,009,123	994,120
Travel, subsistence, and professional	28,080	1,939	167	84	78,339	108,609	90,161
Printing, marketing and contractual	6,558	-	16,955	136,482	620,668	780,663	872,835
Other direct expenses	46,232	2,441	516	-	214,148	263,337	102,104
Indirect costs	17,512	72,514	51,752	26,490	1,709,435	1,877,703	1,817,600
Contributed services	-	-	-	9,100	65,747	74,847	77,414
Total Operating Expenses	121,138	171,125	136,641	206,580	4,909,715	5,545,199	5,402,137
Non Operating Revenues (Expenses):							
Contributed services revenues	-	-	-	38,375	24,325	62,700	72,528
Contributed services expenses	-	-	-	(38,375)	(24,325)	(62,700)	(72,528)
Total Non Operating Revenues (Expenses)	-	-	-	-	-	-	-
Operating Income	\$ 109,982	\$ -	\$ -	\$ -	\$ -	\$ 109,982	\$ 247,590

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, 2019**

	Budget	Actual
Fringe benefit costs:		
Holidays	\$ 95,298	\$ 95,240
Sick leave	79,238	124,159
Vacation	208,094	202,509
Administrative	9,719	4,130
Retirement	382,915	365,700
Group health	563,912	506,713
FICA	186,523	183,854
Workers compensation	3,558	1,695
Unemployment	1,200	-
Employee Incentives	4,344	7,551
Total fringe benefit costs	\$ 1,534,801	\$ 1,491,551
Allocation base: Direct and indirect personnel	\$ 2,217,310	\$ 2,114,989
Fringe benefit cost rate	<u>69.22%</u>	<u>70.52%</u>

Notes:

1. Approval of the fringe benefit cost rate for the year ended June 30, 2019 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 69.22 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 2019 for grant invoicing purposes. The final 2019 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 27 through 44 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, 2019**

	Budget	Actual
Indirect costs:		
Personnel	\$ 690,101	684,073
Fringe benefits	477,682	482,428
Auto allowance	8,700	8,700
Travel and professional development	36,446	15,015
Memberships	3,220	3,155
Printing	1,487	900
Repairs and maintenance	17,275	9,342
Office supplies	65,908	55,730
Postage	1,699	2,408
Rent	467,540	397,866
Telephone	7,970	7,902
Professional publications	937	1,097
Legal and audit	52,821	96,990
Reproductions	2,062	2,647
Insurance	27,437	27,632
Professional services	50,804	40,651
Legal notices	610	3,013
Depreciation	18,206	14,602
Payroll processing	8,021	7,813
Internet	7,260	6,261
Retirement plan admin & education fees	4,515	6,887
Other	2,832	2,591
Total indirect costs	\$ 1,953,533	\$ 1,877,703
Allocation base: Direct personnel	\$ 1,527,209	\$ 1,430,917
Indirect cost rate applied	<u>127.92%</u>	<u>131.22%</u>

Notes:

1. Approval of the provisional indirect cost rate for the year ended June 30, 2019 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 127.92 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 2019 for grant invoicing purposes. The final 2019 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 27 through 44 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 2018 TRANSPORTATION PLANNING
JUNE 30, 2019

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2019</u>
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (MPO-PL Funds)	\$ 2,359,573	\$ 1,896,010	\$ 463,562	\$ 2,359,572
Kentucky: KYTC (HPR-PL Funds)	463,972	375,166	75,407	450,573
Kentucky: KYTC (FTA Funds)	140,531	113,639	22,840	136,479
Indiana: INDOT (Trans PL Funds)	25,000	25,000	-	25,000
State matching funds Ohio	294,947	237,001	57,945	294,946
State matching funds Kentucky	28,998	23,448	4,713	28,161
County matching funds	423,324	342,012	80,295	422,307
Other revenue	-	29,365	101,037	130,402
	<u>3,736,345</u>	<u>3,041,641</u>	<u>805,799</u>	<u>3,847,440</u>
Operating Expenses:				
Direct expenses				
Personnel	1,127,476	932,008	236,411	1,168,419
Fringe benefits	821,762	631,503	163,643	795,146
Travel, subsistence & professional	61,745	38,886	15,895	54,781
Printing, marketing & contractual	235,000	221,863	1,784	223,647
Other direct expenses	92,156	44,374	85,649	130,023
Indirect costs	<u>1,398,206</u>	<u>1,173,007</u>	<u>302,417</u>	<u>1,475,424</u>
	<u>3,736,345</u>	<u>3,041,641</u>	<u>805,799</u>	<u>3,847,440</u>
Tasks:				
Short range planning	77,000	58,035	21,891	79,926
Transportation improvement program	161,000	150,009	32,178	182,187
Continuing planning - surveillance	1,822,592	1,508,590	340,621	1,849,211
Transportation Plan	936,886	808,287	215,962	1,024,249
Long range planning - Conference on Freight	210,000	48,558	127,488	176,046
Transportation services	307,000	277,157	48,119	325,276
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	12,710	27,232
Transportation program reporting	10,000	5,106	-	5,106
Mobile source emissions planning	30,000	31,414	6,830	38,244
	<u>\$ 3,736,345</u>	<u>\$ 3,041,641</u>	<u>\$ 805,799</u>	<u>\$ 3,847,440</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) as of June 30, 2018 are associated with FY18 KY contracts. Kentucky revenues (PL, FTA, and state) for the current fiscal year are associated with FY18 KY contracts. Please see footnote #3 on the FY 2019 Transportation Planning schedule. All within budget.
- The Ohio Conference on Freight hosted by OKI in August 2018 received \$146,810 in unbudgeted partnerships and registrations of which \$130,402 in other revenue was used to offset consolidated planning grant expenses related to the conference.
- As of June 30, 2019, 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, 2019

	Budget	Cumulative Revenues and Expenditures as of June 30, 2018	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2019
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (CMAQ)	\$ 192,981	\$ 173,140	\$ 2,649	\$ 175,789
Kentucky: KYTC (SNK)	40,901	36,696	561	37,257
Contributed services	10,225	10,225	-	10,225
Total Operating Revenues	244,107	220,061	3,210	223,271
Operating Expenses:				
Direct expenses				
Personnel	10,553	10,052	-	10,052
Fringe benefits	7,692	6,901	-	6,901
Printing, marketing & contractual	200,000	176,342	3,210	179,552
Other direct expenses	2,550	3,924	-	3,924
Indirect costs				
Contributed services	13,087	12,617	-	12,617
Contributed services	10,225	10,225	-	10,225
Total Operating Expenses	244,107	220,061	3,210	223,271
Non-operating Revenues (Expenses):				
Contributed services revenues	55,299	42,018	-	42,018
Contributed services expenses	(55,299)	(42,018)	-	(42,018)
Total Non-operating Revenues (Expenses)	-	-	-	-
Tasks:				
Regional Clean Air Program	244,107	262,079	3,210	265,289
Total Tasks	\$ 244,107	\$ 262,079	\$ 3,210	\$ 265,289

NOTES:

1. State grants and contracts consist of the following:
 - a. ODOT agreement for July 1, 2017 through December 31, 2019 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 December 31, 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. Presented as being completed at the end of FY 2018; however, due to June 2018 invoices for eligible expenditures not being received until November 2018, ODOT and KYTC both agreed via email to reopen the grants/contracts and allow payment of the invoices that resulted in above FY 2019 activity.
3. As of June 30, 2019, 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 2019 CLEAN AIR (OZONE AWARENESS)
JUNE 30, 2019

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2019</u>
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (CMAQ)	\$ 192,981	\$ 136,080	\$ 136,080
Kentucky: KYTC (SNK)	40,901	28,841	28,841
Contributed services	10,225	10,225	10,225
	<u>244,107</u>	<u>175,146</u>	<u>175,146</u>
Total Operating Revenues			
Operating Expenses:			
Direct expenses			
Personnel	24,684	7,756	7,756
Fringe benefits	17,086	5,469	5,469
Printing, marketing & contractual	160,000	138,450	138,450
Other direct expenses	537	3,069	3,069
Indirect costs	31,575	10,177	10,177
Contributed services	10,225	10,225	10,225
	<u>244,107</u>	<u>175,146</u>	<u>175,146</u>
Total Operating Expenses			
Non-operating Revenues (Expenses):			
Contributed services revenues	57,009	24,325	24,325
Contributed services expenses	(57,009)	(24,325)	(24,325)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Non-operating Revenues (Expenses)			
Tasks:			
Regional Clean Air Program	244,107	199,471	199,471
	<u>\$ 244,107</u>	<u>\$ 199,471</u>	<u>\$ 199,471</u>
Total Tasks			

NOTES:

1. State grants and contracts consist of the following:
 - a. ODOT agreement for July 1, 2018 through June 30, 2019 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, 2018 through June 30, 2019 for \$40,900 in KYTC/SNK. Expenses reimbursed to OKI at a participation rate of 17.4877 percent of FY2019 expenses, matched with contributed services. A minimum 20% match was required and exceeded.
2. As of June 30, 2019, 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 2019 SURFACE TRANSPORTATION PROGRAM (STP)
JUNE 30, 2019

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2019</u>
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (STP)	\$ 428,774	\$ 331,854	\$ 331,854
Kentucky: KYTC (SNK)	72,700	56,267	56,267
Indiana: INDOT (STP)	25,000	25,000	25,000
County matching funds	19,350	24,006	24,006
Local contracts	5,075	967	967
	<u>550,899</u>	<u>438,094</u>	<u>438,094</u>
Operating Expenses:			
Direct expenses			
Personnel	158,629	139,295	139,295
Fringe benefits	109,801	98,235	98,235
Travel, subsistence & professional	18,265	15,381	15,381
Printing, marketing & contractual	60,000	-	-
Other direct expenses	1,293	2,394	2,394
Indirect costs	202,911	182,789	182,789
	<u>550,899</u>	<u>438,094</u>	<u>438,094</u>
Tasks:			
Long range planning land use	374,549	378,543	378,543
FIAM implementation	145,100	27,639	27,639
INDOT	31,250	31,912	31,912
	<u>\$ 550,899</u>	<u>\$ 438,094</u>	<u>\$ 438,094</u>

NOTES:

1. The grant period for the Land Use, FIAM and INDOT Surface Transportation Program agreements is July 1, 2018 through June 30, 2019.
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, 2019, 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 2019 RIDESHARE
JUNE 30, 2019

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2019
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (CMAQ)	\$ 171,749	\$ 162,945	\$ 162,945
Kentucky: KYTC (SNK)	36,401	34,535	34,535
Contributed services	9,100	9,100	9,100
Total Operating Revenues	217,250	206,580	206,580
Operating Expenses:			
Direct expenses			
Personnel	21,852	20,187	20,187
Fringe benefits	15,126	14,237	14,237
Travel, subsistence & professional	240	84	84
Printing, marketing & contractual	142,800	136,482	136,482
Other direct expenses	180	-	-
Indirect costs	27,952	26,490	26,490
Contributed services	9,100	9,100	9,100
Total Operating Expenses	217,250	206,580	206,580
Non-operating Revenues (Expenses):			
Contributed services revenues	15,900	38,375	38,375
Contributed services expenses	(15,900)	(38,375)	(38,375)
Total Non-operating Revenues (Expenses)	-	-	-
Tasks:			
RideShare	217,250	244,955	244,955
Total Tasks	\$ 217,250	\$ 244,955	\$ 244,955

NOTES:

1. State grants and contracts consist of the following:
 - a. ODOT agreement for the period July 1, 2018 through June 30, 2019 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, 2018 through June 30, 2019 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, 2019, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT
FY 2019 CONFERENCE ON FREIGHT - ODOT SPONSORSHIP
JUNE 30, 2019

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2019
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (SPR)	\$ 24,000	\$ 12,377	\$ 12,377
State matching funds Ohio	6,000	3,094	3,094
Total Operating Revenues	30,000	15,471	15,471
Operating Expenses:			
Direct expenses			
Other direct expenses	30,000	15,471	15,471
Total Operating Expenses	30,000	15,471	15,471
Tasks:			
FY 2019 Conference on Freight - ODOT Sponsorship	30,000	15,471	15,471
Total Tasks	\$ 30,000	\$ 15,471	\$ 15,471

NOTES:

1. The grant period for FY 2019 Conference on Freight - ODOT Sponsorship is July 1, 2018 through June 30, 2019.
2. ODOT State Planning and Research funds were received under an agreement for ODOT's sponsorship of the FY 2019 Conference on Freight hosted by OKI in August 2018. ODOT paid for audio visual equipment and keynote speaker fees of the conference.
3. This project is funded with 80% Ohio SPR funds matched with 20% state funds from ODOT.
4. As of June 30, 2019, 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, 2019

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2019</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 50,035	\$ 38,080	\$ 11,955	\$ 50,035
County matching funds	-	-	309	309
Total Operating Revenues	<u>50,035</u>	<u>38,080</u>	<u>12,264</u>	<u>50,344</u>
Operating Expenses:				
Direct expenses				
Personnel	16,538	12,814	3,957	16,771
Fringe benefits	12,418	9,181	2,790	11,971
Other direct expenses	-	145	325	470
Indirect costs	<u>21,079</u>	<u>15,940</u>	<u>5,192</u>	<u>21,132</u>
Total Operating Expenses	<u>50,035</u>	<u>38,080</u>	<u>12,264</u>	<u>50,344</u>
Tasks:				
New Freedom Administration	<u>50,035</u>	<u>38,080</u>	<u>12,264</u>	<u>50,344</u>
Total Tasks	<u>\$ 50,035</u>	<u>\$ 38,080</u>	<u>\$ 12,264</u>	<u>\$ 50,344</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, 2019 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, 2019

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2019</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 385,212	\$ 359,019	\$ -	\$ 359,019
Contributed services	385,212	426,142	-	426,142
	<u>770,424</u>	<u>785,161</u>	<u>-</u>	<u>785,161</u>
Operating Expenses:				
Direct expenses				
Printing, marketing & contractual	385,212	359,019	-	359,019
Contributed services	385,212	426,142	-	426,142
	<u>770,424</u>	<u>785,161</u>	<u>-</u>	<u>785,161</u>
Tasks:				
Towne Taxi	130,212	78,406	-	78,406
Senior Services of Northern Kentucky	210,000	210,000	-	210,000
Wesley Community Services	300,000	367,123	-	367,123
Community Cab	130,212	129,632	-	129,632
	<u>\$ 770,424</u>	<u>\$ 785,161</u>	<u>\$ -</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, 2019, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OEPA
FY 2019 OEPA STATE BIENNIUM WATER
JUNE 30, 2019

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2019</u>
Operating Revenues:			
Federal and state grants			
Ohio: OEPA (EPA Funds)	\$ 75,000	\$ 75,000	\$ 75,000
County matching funds	-	1,903	1,903
	<u>75,000</u>	<u>76,903</u>	<u>76,903</u>
Total Operating Revenues			
	<u>75,000</u>	<u>76,903</u>	<u>76,903</u>
Operating Expenses:			
Direct expenses			
Personnel	25,073	25,375	25,375
Fringe benefits	17,355	17,895	17,895
Travel, subsistence & professional	400	330	330
Other direct expenses	100	5	5
Indirect costs	<u>32,072</u>	<u>33,298</u>	<u>33,298</u>
	<u>75,000</u>	<u>76,903</u>	<u>76,903</u>
Total Operating Expenses			
	<u>75,000</u>	<u>76,903</u>	<u>76,903</u>
Tasks:			
General assembly	<u>75,000</u>	<u>76,903</u>	<u>76,903</u>
	<u>\$ 75,000</u>	<u>\$ 76,903</u>	<u>\$ 76,903</u>
Total Tasks			
	<u>\$ 75,000</u>	<u>\$ 76,903</u>	<u>\$ 76,903</u>

NOTES:

1. The grant period under the OEPA FY2019 State Biennium Water contract is July 1, 2018 through June 30, 2019 (State of Ohio grant).
2. As of June 30, 2019, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OEPA
FY 2019 OEPA 604B WATER QUALITY PLANNING
JUNE 30, 2019

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2019
Operating Revenues:			
Federal and state grants			
Ohio: OEPA (EPA Funds)	\$ 50,267	\$ 50,267	\$ 50,267
County matching funds	-	1,475	1,475
	50,267	51,742	51,742
Total Operating Revenues	50,267	51,742	51,742
Operating Expenses:			
Direct expenses			
Personnel	16,783	16,306	16,306
Fringe benefits	11,617	11,499	11,499
Travel, subsistence & professional	350	552	552
Other direct expenses	50	1,988	1,988
Indirect costs	21,467	21,397	21,397
	50,267	51,742	51,742
Total Operating Expenses	50,267	51,742	51,742
Tasks:			
Program coordination	50,267	51,742	51,742
	50,267	51,742	51,742
Total Tasks	\$ 50,267	\$ 51,742	\$ 51,742

NOTES:

1. The grant period under the OEPA FY2019 State 604B Water Quality Planning contract is July 1, 2018 through June 30, 2019.
2. As of June 30, 2019, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OKI
FY 2019 LOCAL WATER QUALITY PLANNING PROJECT
JUNE 30, 2019

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2019
Operating Revenues:			
County matching funds	\$ 45,000	\$ 42,480	\$ 42,480
Total Operating Revenues	45,000	42,480	42,480
Operating Expenses:			
Direct expenses			
Personnel	14,569	13,579	13,579
Fringe benefits	10,085	9,577	9,577
Travel, subsistence & professional	1,387	1,057	1,057
Other direct expenses	323	448	448
Indirect costs	18,636	17,819	17,819
Total Operating Expenses	45,000	42,480	42,480
Tasks:			
Local water quality planning	45,000	42,480	42,480
Total Tasks	\$ 45,000	\$ 42,480	\$ 42,480

NOTES:

1. The project period for Local Water Quality Planning was July 1, 2018 through June 30, 2019.
2. Budget amounts were derived from fiscal 2019 overall agency budget.
3. As of June 30, 2019, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OKI
FY 2019 LOCAL REGIONAL PLANNING
JUNE 30, 2019

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2019
Operating Revenues:			
County matching funds	\$ 38,558	\$ 34,230	\$ 34,230
Total Operating Revenues	38,558	34,230	34,230
Operating Expenses:			
Direct expenses			
Personnel	12,734	11,181	11,181
Fringe benefits	8,814	7,885	7,885
Travel, subsistence & professional	175	100	100
Other direct expenses	546	392	392
Indirect costs	16,289	14,672	14,672
Total Operating Expenses	38,558	34,230	34,230
Tasks:			
Local regional planning	38,558	34,230	34,230
Total Tasks	\$ 38,558	\$ 34,230	\$ 34,230

NOTES:

1. The project period for Local Regional Planning program was July 1, 2018 through June 30, 2019.
2. Budget amounts were derived from fiscal 2019 overall agency budget.
3. As of June 30, 2019, 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 2019 TRANSPORTATION PLANNING
JUNE 30, 2019

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2019</u>
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (MPO-PL Funds)	\$ 2,359,573	\$ 1,941,139	\$ 1,941,139
Kentucky: KYTC (HPR-PL Funds)	553,150	342,443	342,443
Kentucky: KYTC (FTA Funds)	150,236	100,878	100,878
Indiana: INDOT (Trans PL Funds)	25,000	25,000	25,000
State matching funds Ohio	294,947	242,642	242,642
State matching funds Kentucky	31,000	20,815	20,815
County matching funds	446,043	339,433	339,433
Total Operating Revenues	3,859,949	3,012,350	3,012,350
Operating Expenses:			
Direct expenses			
Personnel	1,152,040	875,911	875,911
Fringe benefits	797,432	620,798	620,798
Travel, subsistence & professional	68,433	46,526	46,526
Printing, marketing & contractual	221,800	209,059	209,059
Other direct expenses	146,609	102,841	102,841
Indirect costs	1,473,635	1,157,215	1,157,215
Total Operating Expenses	3,859,949	3,012,350	3,012,350
Tasks:			
Short range planning	64,500	52,467	52,467
Transportation improvement program	208,250	169,116	169,116
Continuing planning - surveillance	1,956,577	1,617,220	1,617,220
Transportation Plan	1,075,000	881,067	881,067
Transportation services	221,000	179,985	179,985
INDOT exclusive - Dearborn Co. Tran Planning	31,250	31,773	31,773
KYTC exclusive - Ohio River Bridge Counters	71,438	11,745	11,745
KYTC exclusive - transportation planning	182,684	28,149	28,149
UPWP administration	21,000	17,230	17,230
Transportation program reporting	7,000	6,326	6,326
Mobile source emissions planning	21,250	17,272	17,272
Total Tasks	\$ 3,859,949	\$ 3,012,350	\$ 3,012,350

NOTES:

1. The grant period for FY 2019 MPO Transportation Planning is July 1, 2018 through December 31, 2019.
2. 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.
3. 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 FY18 carryover revenues and appear on the FY2018 Transportation PL page in the current year column. Total KY PL for FY2019 was \$75,407 + \$342,443 = \$417,850 from the MPO planning contract. Total KY FTA for FY2019 was \$22,840 + \$100,878 = \$123,718. Total KY State for FY2019 was \$4,713 + \$20,815 = \$25,528. All within budget.
4. As of June 30, 2019, 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, 2019

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2018</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2019</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 74,821	\$ 20,249	\$ 29,675	\$ 49,924
Total Operating Revenues	<u>74,821</u>	<u>20,249</u>	<u>29,675</u>	<u>49,924</u>
Operating Expenses:				
Direct expenses				
Personnel	25,048	6,833	9,785	16,618
Fringe benefits	18,536	4,754	6,900	11,654
Other direct expenses	-	39	151	190
Indirect costs	<u>31,237</u>	<u>8,623</u>	<u>12,839</u>	<u>21,462</u>
Total Operating Expenses	<u>74,821</u>	<u>20,249</u>	<u>29,675</u>	<u>49,924</u>
Tasks:				
Job Access Reverse Commute	<u>74,821</u>	<u>20,249</u>	<u>29,675</u>	<u>49,924</u>
Total Tasks	<u>\$ 74,821</u>	<u>\$ 20,249</u>	<u>\$ 29,675</u>	<u>\$ 49,924</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, 2019, 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, 2019

	Budget	Cumulative Revenues and Expenditures as of June 30, 2018	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2019
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 271,671	\$ 114,017	\$ 54,223	\$ 168,240
Total Operating Revenues	<u>271,671</u>	<u>114,017</u>	<u>54,223</u>	<u>168,240</u>
Operating Expenses:				
Direct expenses				
Personnel	44,405	20,199	12,988	33,187
Fringe benefits	33,344	14,233	9,160	23,393
Travel, subsistence & professional	215	62	99	161
Printing, marketing & contractual	135,835	53,643	14,932	68,575
Other direct expenses	1,274	504	-	504
Indirect costs	<u>56,598</u>	<u>25,376</u>	<u>17,044</u>	<u>42,420</u>
Total Operating Expenses	<u>271,671</u>	<u>114,017</u>	<u>54,223</u>	<u>168,240</u>
Tasks:				
FTA - 5310 transit planning administrative activities	<u>271,671</u>	<u>114,017</u>	<u>54,223</u>	<u>168,240</u>
Total Tasks	<u>\$ 271,671</u>	<u>\$ 114,017</u>	<u>\$ 54,223</u>	<u>\$ 168,240</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, 2019, 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, 2019

	Budget	Cumulative Revenues and Expenditures as of June 30, 2018	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2019
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 408,336	\$ 36,563	\$ 84,372	\$ 120,935
Total Operating Revenues	<u>408,336</u>	<u>36,563</u>	<u>84,372</u>	<u>120,935</u>
Operating Expenses:				
Direct expenses				
Personnel	69,969	6,448	16,584	23,032
Fringe benefits	51,072	4,427	11,696	16,123
Travel, subsistence & professional	200	138	438	576
Printing, marketing & contractual	200,000	16,689	29,644	46,333
Other direct expenses	100	767	4,248	5,015
Indirect costs	<u>86,995</u>	<u>8,094</u>	<u>21,762</u>	<u>29,856</u>
Total Operating Expenses	<u>408,336</u>	<u>36,563</u>	<u>84,372</u>	<u>120,935</u>
Tasks:				
FTA - 5310 transit planning administrative activities	<u>408,336</u>	<u>36,563</u>	<u>84,372</u>	<u>120,935</u>
Total Tasks	<u>\$ 408,336</u>	<u>\$ 36,563</u>	<u>\$ 84,372</u>	<u>\$ 120,935</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 procurement services for the program.
4. As of June 30, 2019, 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, 2019

	Budget	Cumulative Revenues and Expenditures as of June 30, 2018	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2019
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 505,026	\$ 40,342	\$ 223,589	\$ 263,931
Contributed services	126,659	10,461	55,522	65,983
Total Operating Revenues	<u>631,685</u>	<u>50,803</u>	<u>279,111</u>	<u>329,914</u>
Operating Expenses:				
Direct expenses				
Printing, marketing & contractual	505,026	40,342	223,589	263,931
Contributed services	126,659	10,461	55,522	65,983
Total Operating Expenses	<u>631,685</u>	<u>50,803</u>	<u>279,111</u>	<u>329,914</u>
Tasks:				
Clermont Senior Services - software license renewal	37,500	13,125	13,785	26,910
Clermont Senior Services - preventive maintenance	48,590	-	-	-
No. Ky Area Development District - mobility mgmt	100,000	-	62,322	62,322
Jewish Community Center - preventive maintenance	11,875	-	-	-
Episcopal Retirement Homes - preventative maint	6,200	-	-	-
Clermont Senior Services -security equipment	60,000	-	52,011	52,011
Community First (Partners inPrime) - hardware	50,000	-	44,552	44,552
No. Ky Area Development District - mobility mgmt	129,050	37,678	-	37,678
Jewish Community Center - security equipment, preventative maintenance, and training	23,504	-	-	-
Cancer Justice Network	164,966	-	106,441	106,441
Total Tasks	<u>\$ 631,685</u>	<u>\$ 50,803</u>	<u>\$ 279,111</u>	<u>\$ 329,914</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, 2019, 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, 2019

	Budget	Cumulative Revenues and Expenditures as of June 30, 2018	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2019
Operating Revenues:				
Local contracts	\$ 380,000	\$ 109,695	\$ 102,411	\$ 212,106
Total Operating Revenues	<u>380,000</u>	<u>109,695</u>	<u>102,411</u>	<u>212,106</u>
Operating Expenses:				
Direct expenses				
Personnel	73,650	32,869	28,257	61,126
Fringe benefits	55,874	22,655	19,928	42,583
Travel, subsistence & professional	-	39	67	106
Printing, marketing & contractual	154,500	12,645	16,955	29,600
Other direct expenses	2,266	162	124	286
Indirect costs	<u>93,710</u>	<u>41,325</u>	<u>37,080</u>	<u>78,405</u>
Total Operating Expenses	<u>380,000</u>	<u>109,695</u>	<u>102,411</u>	<u>212,106</u>
Tasks:				
Duke class benefit fund energy plans	<u>380,000</u>	<u>109,695</u>	<u>102,411</u>	<u>212,106</u>
Total Tasks	<u>\$ 380,000</u>	<u>\$ 109,695</u>	<u>\$ 102,411</u>	<u>\$ 212,106</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. In February 2019 programmatic changes were made that resulted in \$120,000 of the original \$500,000 being reallocated to the Greater Cincinnati Energy Alliance for disbursement of incentive funds to be awarded and managed after the Energy Plan are complete. The result is OKI's grant being reduced to \$380,000.
4. As of June 30, 2019, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Federal Grantor/ Pass-Through Grantor/ Program/Cluster Title	Federal CFDA Number	Direct Grant or Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of Transportation</u>				
<i>Direct Programs:</i>				
<u>Federal Transit Cluster</u>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			
FTA 5310 Transit Planning		OH-16-X012-00	\$ 14,932	\$ 54,223
FTA 5310 Transit Planning		OH-2017-005-01	29,644	84,372
FTA 5310 Transit Planning Pass-Through		OH-2017-005-02	162,403	162,403
FTA 5310 Transit Planning Pass-Through		OH-2017-005-03	61,186	61,186
<i>Total CFDA #20.513</i>			268,165	362,184
Job Access and Reverse Commute Program	20.516	OH-37-X099-00	0	29,675
New Freedom Program	20.521	OH-57-X064-00	0	11,955
Total Federal Transit Cluster			268,165	403,814
<i>Total Direct Programs - U.S. Department of Transportation</i>				
			268,165	403,814
<i>Pass Through Programs:</i>				
<u>Highway Planning and Construction Cluster</u>				
Highway Planning and Construction	20.205			
<i>Passed Through Ohio Department of Transportation (ODOT)</i>				
Clean Air - Ozone Awareness (CMAQ funds)		731800	0	2,649
Clean Air - Ozone Awareness (CMAQ funds)		733593	0	136,080
Ride Share (CMAQ funds)		733594	0	162,945
Transportation Planning (MPO-PL funds)		731814	0	463,562
Transportation Planning (MPO-PL funds)		733610	0	1,941,139
Surface Transportation (STP funds)		733591	0	309,049
Surface Transportation (STP funds)		733592	0	22,806
2019 Conference on Freight-ODOT Sponsorship (SPR funds)		308819	0	12,377
<i>Total CFDA #20.205 Passed through ODOT</i>			0	3,050,607
<i>Passed Through Kentucky Transportation Cabinet (KYTC)</i>				
Transportation Planning (HPR-PL funds)		1900000312	0	408,454
Transportation Planning (HPR-PL funds)		1900000325	0	9,396
Ride Share (SNK funds)		1900000326	0	34,535
Clean Air-Ozone Awareness (SNK funds)		1700006004	0	561
Clean Air-Ozone Awareness (SNK funds)		1900000326	0	28,841
Surface Transportation (SNK funds)		1900000326	0	56,267
<i>Total CFDA #20.205 Passed through KYTC</i>			0	538,054
<i>Passed Through Indiana Department of Transportation (INDOT)</i>				
Transportation Planning (PL funds)		A249-19-G180348	0	25,000
Surface Transportation (STP funds)		A249-19-G180348	0	25,000
<i>Total CFDA #20.205 Passed through INDOT</i>			0	50,000
Total Highway Planning and Construction Cluster			0	3,638,661
<i>Passed Through Kentucky Transportation Cabinet (KYTC)</i>				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research - Transportation Planning (FTA funds)	20.505	KY-2017-002-02	0	123,718
<i>Total Pass Through Programs - U.S. Department of Transportation</i>				
			0	3,762,379
Total U.S. Department of Transportation			268,165	4,166,193
<u>U.S. Environmental Protection Agency</u>				
<i>Passed Through Ohio Environmental Protection Agency (OEPA)</i>				
Water Quality Management Planning - Water Quality Planning (EPA funds)	66.454	OKI-FD60417	0	50,267
Total U.S. Environmental Protection Agency			0	50,267
Total Expenditures of Federal Awards			\$ 268,165	\$ 4,216,460

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1: BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Ohio-Kentucky-Indiana Regional Council of Governments (OKI) under programs of the federal government for the year ended June 30, 2019. 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 selected 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 2: 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

OKI has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance. The Schedule reflects the application of actual fringe benefits and indirect cost rates, subject to grant or program limitations.

NOTE 4: 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 described in Note 2, 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 5. 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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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

To the Executive Committee
Ohio-Kentucky-Indiana Regional Council of Governments
Cincinnati, Ohio

The Honorable Keith Faber
Auditor
State of Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the Ohio-Kentucky-Indiana Regional Council of Governments, Hamilton County, Ohio, (OKI) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise OKI's basic financial statements, and have issued our report thereon dated December 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered OKI's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OKI's internal control. Accordingly, we do not express an opinion on the effectiveness of OKI's internal control.

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

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

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of OKI's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OKI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

James G. Zupka,
CPA, President
James G. Zupka, CPA, Inc.
Certified Public Accountants

Digitally signed by James G. Zupka, CPA, President
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December 18, 2019

JAMES G. ZUPKA, C.P.A., INC.
Certified Public Accountants
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**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

To the Executive Committee
Ohio-Kentucky-Indiana Regional Council of Governments
Cincinnati, Ohio

The Honorable Keith Faber
Auditor
State of Ohio

Report on Compliance for Each Major Federal Program

We have audited the Ohio-Kentucky-Indiana Regional Council of Governments, Hamilton County, Ohio's (OKI) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on OKI's major federal program for the year ended June 30, 2019. OKI's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for OKI's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about OKI's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Ohio-Kentucky-Indiana Regional Council of Governments complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of OKI is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered OKI's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

James G. Zupka,
CPA, President
James G. Zupka, CPA, Inc.
Certified Public Accountants

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December 18, 2019

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2019**

1. SUMMARY OF AUDITOR'S RESULTS

2019(i)	Type of Financial Statement Opinion	Unmodified
2019(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
2019(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
2019(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
2019(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
2019(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
2019(v)	Type of Major Programs' Compliance Opinions	Unmodified
2019(vi)	Are there any reportable findings under 2 CFR 200.516(a)?	No
2019(vii)	Major Programs (list): Federal Highway Administration Highway Planning and Construction Cluster- CFDA #20.205	
2019(viii)	Dollar Threshold: A/B Program	Type A: \$750,000 Type B: All Others
2019(ix)	Low Risk Auditee?	Yes

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
SCHEDULE OF PRIOR AUDIT FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The prior audit report, as of June 30, 2018, included no citations or instances of noncompliance. Management letter recommendations have been corrected, repeated, or procedures instituted to prevent occurrences in this audit period.

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 23, 2020**