

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

**Financial Statements
and
Supplementary Information**

for the year ended June 30, 2004



**Auditor of State
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of the Ohio-Kentucky-Indiana Regional Council of Governments, Hamilton County, prepared by Foxx & Company, for the audit period July 1, 2003 through June 30, 2004. 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.

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BETTY MONTGOMERY
Auditor of State

March 8, 2005

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OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS

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ACRONYMS

CMAQ	Congestion Mitigation and Air Quality
FHWA	Federal Highway Administration
KYTC	Kentucky Transportation Cabinet
MIS	Major Investment Study
ODOT	Ohio Department of Transportation
OEPA	Ohio Environmental Protection Agency
OKI	Ohio-Kentucky-Indiana Regional Council of Governments
SNK	Surface Transportation Planning (Northern Kentucky)
STP	Surface Transportation Planning (Ohio)



Foxx & Company
Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying balance sheet of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI), as of June 30, 2004, and the related statement of revenues, expenditures and changes in net assets, and of cash flows for the year then ended. These financial statements are the responsibility of OKI's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

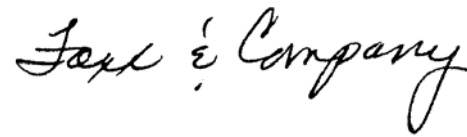
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OKI as of June 30, 2004, and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the OKI adopted the provisions of the Government Accounting Standards Board (GASB) Statement No. 34, "*Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*" as of July 1, 2003. The adoption of Statement No. 34 affected the classification of net assets in accordance with the statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2004 on our consideration of OKI's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules 1 - 3 and statements of cumulative revenues and expenditures for completed programs and programs in progress are presented for purposes of additional analysis and are not a required part of the financial statements of OKI. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of OKI. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Management's Discussion and Analysis on pages 3 through 10 is not a required part of the financial statements but is supplemental information required by the GASB. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

A handwritten signature in cursive script that reads "Jaxx & Company". The signature is written in black ink and is positioned to the left of a vertical red line.

Cincinnati, Ohio
October 29, 2004

Ohio-Kentucky-Indiana
Regional Council of Governments

MANAGEMENT DISCUSSION AND ANALYSIS

June 30, 2004

As management of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI), we offer readers of OKI's financial statements this narrative overview and analysis of OKI's financial performance during the fiscal year ending June 30, 2004. Please read it in conjunction with OKI's financial statements, which follow this section.

OKI OVERVIEW

OKI is a council of local governments, business organizations and community groups committed to developing collaborative strategies, plans and programs that will improve the quality of life and economic vitality of the Tri-state.

Formed in 1964, OKI has spent 39 years cultivating partnerships and alliances that range from the federal government to local councils. Its 105 members represent governmental, social and civic groups from 198 communities in the eight county, three-state regions.

Together we work to solve interstate dilemmas, create far-reaching development plans, break through political bureaucracy and provide services to the public.

OKI is also a Metropolitan Planning Organization (MPO). It is in this role that we have what is probably our most important responsibility. As an MPO, OKI has final authority of all federal dollars spent on transportation in the region. This past year alone, OKI approved over \$30 million in funding for projects in this region.

Above all, OKI must be vigilant in protecting the interests of the taxpayers who provide OKI with financial resources. The taxpayers deserve nothing less than excellent work done in the most cost effective manner. It is a trust OKI is determined to keep in perpetuity.

OKI PROGRAMS AND ACTIVITIES

It is important to know that OKI's mission has been transportation. But its mission is not confined to just highways and pavement.

- OKI is looking at the linkage between transportation and *Land Use*, and is providing tools to address the coordination between communities and interdependence that are essential to a good quality of life.

- OKI has been actively helping communities develop strategies to conserve *Greenspace*, a resource that is priceless for any growing community. Green infrastructure, along with other precious resources—water and air—are key to the vitality of future generations.
- OKI continues to work on water quality issues with a number of groups including the *Mill Creek Watershed Council*. The Mill Creek is a vital but much abused waterway in the very center of our community.
- Also, OKI's work with the *Regional Ozone Coalition*, has received statewide recognition in leading the fight for cleaner air. OKI is the recipient of two Ohio Governor's awards for outstanding achievement in pollution prevention.
- *Rideshare* is a transportation related program with a slightly different focus. The program's goal is to assist commuters by finding others that they can carpool with. This coupled with our *Vanpool* program, has been successfully taking cars off the road since the early 1980's continues to be a great success.

OKI has had a tremendous impact on our region. Its work with reconstructing Fort Washington Way alone has received recognition from Ohio and Kentucky for multi-jurisdictional coordination as well as efficiency.

Along with its work with clean air and water, OKI continues its efforts toward improving our region's transportation systems.

- OKI recently began work on the *Uptown Transportation Study*, a project that is looking into ways to improve transportation linkages in an urban community. When complete, it will aid the communities in this corridor with transportation solutions that will improve mobility for Uptown residents and create increased economic opportunity for its commerce as well.
- The *Boone County Transportation Plan* is nearing completion and this plan too will have a great impact on the lives of Boone County residents. The plan will provide the region with a comprehensive list on needs in this fast growing county.
- *Southwest Warren Transportation Study* is also a project that will bring much needed focus to a fast growing portion of our region. Warren County's growth has been explosive over the past 10 years. This growth has placed a tremendous strain on it's infrastructure. Our work here will seek to alleviate these problems.
- We are also getting underway with a *Western Hamilton County Transportation Study*. Working in cooperation with the local governments, as well as the Hamilton County Engineer, we will be working to find equitable transportation solutions for this segment of our region. This project has been funded in part by a line-item in the federal transportation appropriation bill.

By focusing the collective strength of organizations from around the region, OKI has accomplished more in the Tri-state in terms of growth, development and quality of life improvements than any other entity or group of entities. The impact is seen and felt in nearly every major project being undertaken in the region. These projects continue to support OKI's mission of promoting regional growth.

FINANCIAL HIGHLIGHTS

OKI adopted the provisions of GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - For State and Local Governments* as of July 1, 2003. Statement 34 established standards for external financial reporting for all state and local governmental entities which includes a balance sheet, statement of revenues, expenses, and changes in fund net assets and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted.

During the prior Fiscal year 2003, OKI moved to its current location which increased its ability to be a regional convener for the eight county region the Council serves at an increased monthly cost of \$16,500. A new board room was designed and completed during fiscal year 2004. The capital cost related to this development was \$113,850.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes management's discussion and analysis report, the independent auditor's report and the basic financial statements of OKI. The financial statements also include notes and individual project reports that explain in more detail some of the information in the financial statements. Because of the required transition to comply with GASB 34 this year's financials are not comparative with the prior year's results. However, next year the comparative information will be available and then both the current year and prior year will be reported.

REQUIRED FINANCIAL STATEMENTS

The financial statements report information of OKI and its component activities using accounting methods similar to those used by private sector companies and offer short- and long-term financial information about the current fiscal year 2004 activities. The Statement of Net Assets includes all assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of OKI and assessing liquidity and financial flexibility.

All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Change in Net Assets. This statement 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 and State of Kentucky and local reimbursements, and other revenues.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash disbursements, and net changes in cash resulting from operations, investing, and financial activities and provides answers to such questions as where did the cash come from, what was cash used for, and what was the net change in the cash balance during the reporting period.

FINANCIAL ANALYSIS OF OKI

One of the most important questions asked is “Is OKI as a whole better off or worse off as result of this year’s activities?” The Statement of Net Assets, and Statement of Revenues, Expenses, and Changes in Net Assets report information about OKI’s activities in a way that will help answer this question. These two statements report the net assets of OKI, the changes in them, and measure the financial health or financial position of OKI. Increases or decreases in OKI’s net assets are one indicator of whether its financial position is improving or deteriorating. However, in addition to the results of operating activities, one needs to consider other non-financial factors such as prevailing economic conditions, growth or decline in population, and new or changed legislation as contributing to the net change in assets.

NET ASSETS

Table A-1
Condensed Statement of Net Assets (\$ in Thousands)

	<u>Current Year</u>	<u>Last Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current assets	\$ 1,569	\$ 1,816	\$ (247)	(13.6)
Capital assets, net	<u>163</u>	<u>99</u>	<u>64</u>	<u>64.6</u>
Total assets	<u>\$ 1,732</u>	<u>\$ 1,915</u>	<u>\$ (183)</u>	<u>(9.6)</u>
Current liabilities	880	1,096	(216)	(19.7)
Noncurrent liabilities	<u>91</u>	<u>117</u>	<u>(26)</u>	<u>(22.2)</u>
Total liabilities	<u>971</u>	<u>1,213</u>	<u>(242)</u>	<u>(20.0)</u>
Invested in capital assets, net of debt	163	99	64	64.6
Unrestricted	<u>598</u>	<u>603</u>	<u>(5)</u>	<u>(.8)</u>
Total net assets	<u>\$ 761</u>	<u>\$ 702</u>	<u>\$ 59</u>	<u>8.4</u>

Current assets decreased by \$247k, 13.6% over last year due to reduction in level of open projects and a more timely collection of the billed cost recovery accounts receivable.

Capital assets increased by \$64k due to additions to the furniture and fixtures and related events for a new boardroom and related sound equipment at the new office location.

Current liabilities decreased by \$216k or 19.7% due to a reduction in level of open payables and related liabilities due to the completing and closing of projects during FY 2004.

Noncurrent liabilities decreased by \$26k or 22.2% due to the retirement of two long term employees, reducing the compensated leave liabilities from the prior year.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints or legal requirements – decreased by \$5k or .8% primarily due to the loss of sale of two agency vehicles.

BUDGET VS ACTUAL

Table A-2
Condensed Statement of Budget versus Actual (\$ in Thousands)
for the year ended June 30, 2004

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Operating revenues			
Federal and State Funded Grants	\$ 5,370	\$ 6,368	\$ (998)
Local Government Contracts	954	1,088	(134)
Other Revenues	20	72	(52)
	<u>6,344</u>	<u>7,528</u>	<u>(1,184)</u>
Total operating revenues			
Operating expenses			
Salaries and wages	2,183	2,289	(106)
Fringe benefits	588	736	(148)
Travel, subsistence and professional development	127	131	(4)
Printing, marketing, and contractual	2,467	3,286	(819)
Other expenses	874	1,016	(142)
Contributed Outside Services	40	70	(30)
	<u>6,279</u>	<u>7,528</u>	<u>(1,249)</u>
Total operating expenses			
Operating income	65	-	65
Non-operating loss disposal of sssets	6	-	6
	<u>6</u>	<u>-</u>	<u>6</u>
Change in net assets			
Net assets, July 1 as previously reported	\$ 720	\$ 720	\$ -
Prior years' adjustment	(18)	(18)	-
Changes due to FY 2004 Operations	59	-	59
	<u>59</u>	<u>-</u>	<u>59</u>
Net assets, end of year	<u>\$ 761</u>	<u>\$ 702</u>	<u>\$ 59</u>

Revenues were lower than budget primarily due to a single program planned and not started for the Western Corridor Study. Also, another corridor study, S.W. Warren County, had a delayed start contributing to the lower revenue levels.

The lower than budgeted expenses are a direct result of the delay and lower level of corridor studies that were planned for FY2004. The remaining events planned were expended and revenues recovered at the \$ 6.3 million level.

The prior year's adjustment of \$18k was a result of reconciling and closing a number of mature multiyear projects and is the net effect of those changes to the balance sheet.

The \$59k favorable change to fund balance from FY2004 operations is driven by not using all of the other unclassified expenses that were budgeted for the year.

CAPITAL ASSETS

Capital assets increased primarily due to the move to the current location at 720 E. Pete Rose Way and the need to create a suitable board room for conducting the regular board meetings and facilitating all the other regional convening agendas that OKI hosts as a regional transportation facilitator.

Also, OKI took the action to change the capitalization policy from \$250 per item to \$5,000 per item. This now is more in line with other local county governments and commercial enterprises of OKI's size.

LONG TERM DEBT

The council continues to be debt free and has maintained an \$850,000 bank line of credit if needed.

ECONOMIC CONDITIONS

OKI considered many factors when setting the fiscal year 2004 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, corridor 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 the council's administrative costs based on each counties population.

- The entire eight county regions population is remaining steady in recent years, but there are many movements from the developments close-in to the more distant suburbs and or portions of the counties. Plus the region is directly impacted by the Ohio River and the need for transportation services to link the regions counties and the nation. The focal point of that linkage is the ***Brent Spence Bridge Cooperative***; OKI is working closely with the business community, the Kentucky Transportation Cabinet and Ohio Department of Transportation to develop strategies for the replacement of this vital river crossing.

We also are awaiting word on the new TEA-21 legislation. This legislation will reauthorize the funding levels for MPO's and other transportation related organizations. It is our understanding that a bill is forthcoming in the next session of congress. However, looking at the trends and the drafts of the bill 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 ASSETS
June 30, 2004

	2004
ASSETS	
Current assets	
Cash and cash equivalents	\$ 466,931
Accounts receivable	1,075,278
Prepaid Expenses	26,897
Total current assets	1,569,106
 Noncurrent assets:	
Capital assets, net	162,832
Total noncurrent assets	162,832
Total assets	1,731,938
 LIABILITIES	
Current liabilities	
Accounts payable	547,839
Accrued expenses	210,653
Deferred revenue	121,871
Total current liabilities	880,363
 Noncurrent liabilities	
Compensated absences	90,999
Total noncurrent liabilities	90,999
 NET ASSETS	
Invested in capital assets	162,833
Unrestricted	597,743
Total net assets	\$ 760,576

The accompanying notes are an integral part of these financial statements.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET ASSETS
for the year ended June 30, 2004

	2004
Operating revenues	
Federal and state grants	\$ 5,370,409
Local matching funds	973,727
Total operating revenue	6,344,136
Operating expenses	
Direct expenses	
Personnel	1,402,513
Fringe benefits	716,230
Travel, subsistence and professional development	49,105
Printing, marketing and contractual services	2,367,035
Other direct expenses	98,196
Indirect costs	1,646,281
Total operating expenses	6,279,359
Operating Income	64,777
Non-operating expenses	
Loss on disposal of equipment	5,495
Total non-operating expenses	5,495
Increase in net assets	59,282
Net assets, beginning of year	719,390
Prior period adjustment (Note 11)	(18,096)
Net assets, end of year	\$ 760,576

The accompanying notes are an integral part of these financial statements.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
for the year ended June 30, 2004

	2004
Cash Flow from Operating Activities	
Receipts from Federal and state grants	\$ 5,305,234
Receipts from local matching funds	1,042,147
Payments to Employees	(1,391,163)
Payments to Consultants	(1,943,598)
Payment to Vendors	(1,314,477)
Payment for Indirect Services	(1,691,326)
Net cash provided by operating activities	\$ 6,817
 Cash Flow from Capital Financing Activities	
Purchase of Fixed Assets	(123,230)
Sales proceeds from disposal of fixed assets	5,787
Net cash used by capital financing activities	(117,443)
 Net (Decrease) in Cash	(110,626)
 Cash and Cash equivalents, beginning of year	577,557
 Cash and Cash equivalents, end of year	\$ 466,931
 Reconciliation of operating income to net cash provided by operating activities:	
Operating Income	\$ 64,777
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities	
Depreciation	47,840
Changes in assets and liabilities:	
Decrease (Increase) in:	
Accounts receivable	91,853
Prepaid expenses	44,264
Increase (Decrease) in:	
Accounts payable	(175,609)
Accrued expenses	8,041
Deferred revenue	(48,049)
Compensated absences	(26,300)
Net cash provided by operating activities	\$ 6,817

The accompanying notes are an integral part of the financial statements.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2004

1. Description of Reporting Entity and Summary of Significant Accounting Policies

Organization

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 totally funded by federal and county funds.

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.

Financial Statement Presentation

On July 1, 2003, OKI adopted the provisions of Governmental Accounting Standards Board Statement No. 34 “*Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments.*” Statement 34 established standards for external financial reporting for all state and local governmental entities which includes a balance sheet, statement of revenues, expenses, and changes in fund net assets and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted.

Basis of Accounting

OKI uses the accrual basis of accounting to prepare its financial statements and maintains subsidiary ledgers to identify revenues and expenses by detailed program. Activities not specifically related to a program are classified as general and administrative transactions. The statement of Revenues, Expenses and Changes in Fund Net Assets reflect activities by major program category.

Revenue Recognition

Authorizations under U.S. Government and state and local agency grants or contracts are obtained by requisitioning such agencies for reimbursement of eligible costs incurred up to the maximum amounts specified under the grants or contract commitments. OKI recognizes program grant revenue at the time eligible costs are incurred.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2004

Local matching funds, including member county supporting contributions and in-kind contributions from other agencies, are generally recognized as revenues to the extent required to fund eligible program costs and/or to meet program matching requirements.

Contributed services, included in local matching funds, 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. Such contributed services are accounted for as revenue and as program expenses.

Indirect Costs

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 Fund Assets represent the application of actual indirect and fringe benefit rates.

Capital Assets

Capital assets are recorded at cost 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 acquired after June 30, 1998 are depreciated over a three year period. Effective July 1, 2003, OKI increased its capitalization threshold from \$250 to \$5,000.

Income Taxes

OKI is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. Cash and Cash Equivalents

Statutes authorize OKI to invest in obligations of the U.S. Treasury and U.S. agencies, the State Treasurer's (Ohio) investment pool, repurchase agreements, certificates of deposit, and other instruments authorized by Section 135 of the Ohio Revised Code.

OKI's cash and temporary investments at June 30, 2004 consisted of demand deposit accounts for \$18,870 and \$448,061 in a money market for a total of \$466,931. The account values were collateralized by U.S. Government securities held by the Federal Reserve Bank of Cleveland, Cincinnati Branch, as trustee for OKI.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2004

For purposes of the Statement of Cash Flows, OKI considers all highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

3. 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. At June 30, 2004, OKI had no borrowings against this line of credit. The line expires May 21, 2005.

4. Accounts Receivable

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

Receivables Under Contracts and Grants	
Ohio	\$ 723,335
Kentucky	289,055
Local	64,646
County	60
Receivables Other	
Due from Employees	(1,818)
Total Receivables	<u><u>\$ 1,075,278</u></u>

6. Capital Assets

Changes in capital assets for the year that ended June 30, 2004 are summarized below:

Changes in Capital Assets				
Description	Balance July 1, 2003	Additions	Deletions	Balance June 30, 2004
Office furniture and equipment	\$925,055	\$123,230	\$89,933	\$ 958,352
Less accumulated depreciation	<u>826,330</u>	47,840	78,651	<u>795,519</u>
Furniture and equipment, net	<u>\$ 98,725</u>			<u>\$162,832</u>

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2004

8. Lease Commitment

OKI has entered into operating lease agreements for office facilities and a photocopy machine. Rental expense was \$423,134 for the year that ended June 30, 2004. On April 17, 2003, OKI entered into a 10 year lease for office facilities at a new location. The lease which became effective July 1, 2004 included office facilities and furniture, fixtures, and equipment. The furniture, fixtures and equipment, valued at \$2.1 million in the lease becomes the property of OKI at the end of the 10 year period. However, after the fifth year of the lease, OKI may terminate the lease and pay the lessor \$250,000 and return the furniture, fixtures and equipment to the lessor.

At June 30, 2004, the minimum future rentals under the non-calculable leases are due as follows for fiscal years ended June 30:

2005	\$ 430,819
2006	445,712
2007	460,604
2008	475,710
2009	467,625
2010 and beyond	<u>1,870,498</u>
	<u><u>\$4,150,968</u></u>

9. Employee Retirement and Fringe Benefit Plans

The OKI Employees Retirement Plan is a trustee, contributory, defined contribution retirement plan covering all permanent, full-time employees. Contributions to the plan include a contribution by OKI of 6.9 percent of the participant's wages and a mandatory contribution by the participant of 5 percent of his or her wages. An additional employer contribution of 6.20 percent is required on wages in excess of the FICA ceiling. Pension expense was \$152,171 for the year ended June 30, 2004. Forfeitures reduce the current contributions of OKI to the plan.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2004

Employee contributions are 100 percent vested at date of contribution. Employer contributions vest as follows:

Years of Service	Percent Vested
Less than 1	0
1	20
2	40
3	60
4	80
5	100

10. Contingent Liabilities

Project work performed under grants and contracts is subject to final acceptance by the grantor and contracting agencies. Costs claimed for work performed under grants and contracts which are not acceptable to the grantor or contracting agency may be subject to recovery by the grantor or contracting agency. The management of OKI believes that project work has been satisfactorily performed.

11. Prior Period Adjustments

OKI made a \$18,096 net prior period adjustment for the fiscal year that ended June 30, 2004. This adjustment resulted from the adjustment of accounts receivable and deferred revenue account balances for projects that closed in fiscal years prior to 2004.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES AND EXPENSES BY ACTIVITY
ended June 30, 2004**

	General & Administrative Activities	Environmental Planning Activities	Regional Planning	Ridesharing Implementation	Transportation Planning Activities	Total 2004
Revenues:						
Federal & State grants	\$ -	\$ 72,176	\$ 643,801	\$ 130,320	\$ 4,524,112	\$ 5,370,409
Local Matching Funds	84,132	85,538	435,144	4,482	364,431	973,728
Total Revenues	84,132	157,714	1,078,945	134,802	4,888,543	6,344,137
Expenses:						
Direct Costs						
Personnel	5,548	46,506	161,963	3,153	1,185,343	1,402,513
Fringe Benefits	2,831	23,734	82,656	1,609	605,400	716,230
Travel, subsistence, and professional development	25,138	1,582	3,370	-	19,015	49,105
Printing, marketing, and contractual services	-	270	642,523	124,328	1,599,914	2,367,035
Other direct expenses	902	30,593	2,552	1,794	62,355	98,196
Indirect costs	6,512	54,589	190,113	3,701	1,391,365	1,646,280
Total Operating Expenses	40,931	157,274	1,083,177	134,585	4,863,392	6,279,359
Operating income	\$ 43,201	\$ 440	\$ (4,232)	\$ 217	\$ 25,151	\$ 64,777

SCHEDULE 2

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF FRINGE BENEFIT COST RATES
for the year ended June 30, 2004**

	Budget	Actual
Fringe benefit costs:		
Vacation	172,000	170,910
Sick	86,500	86,201
Holiday	81,000	73,375
Admin. Leave	8,000	17,525
FICA	157,000	157,396
Retirement	160,000	152,171
Employees 457 Plan	-	9,231
Workers Comp.	5,000	3,458
Group Health	305,000	286,292
Employee Incentive	2,000	4,366
Unemployment Insurance	10,000	5,625
	<u>986,500</u>	<u>966,550</u>
Total fringe benefit costs		966,550
Fringe Liability Adjustment		(30,353)
Total fringe benefits applied to projects		936,197
Allocation base: Direct and indirect personnel	1,825,000	1,834,453
Fringe benefit cost rate	54.05%	51.03%

Notes:

1. Approval of the provisional fringe benefit cost rate for the year ended June 30, 2004, was obtained from ODOT, OKI's Federal cognizant agency. The authority for ODOT to be OKI's cognizant agency was granted from the FHWA.
2. A provisional fringe benefit rate of 54.1 percent was authorized by ODOT. The provisional rate is the budgeted rate adjusted for the excess amounts recovered in prior years.
3. There were no questioned costs in the fringe benefit cost pool or the direct and indirect personnel allocation base.
4. The provisional rate was utilized during fiscal year 2004 for grant application purposes. The final 2004 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 Change in Fund Net Assets reflect the application of actual rates. Individual program costs presented on pages 14 to 37 reflect the application of fixed rates.

SCHEDULE 3

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS STATEMENT OF INDIRECT COST RATES for the year ended June 30, 2004

	Budget	Actual
Indirect costs:		
Personnel	\$ 425,000	\$ 431,940
Fringe benefits	229,733	219,966
Retirement plan administrative fee	6,000	2,425
Travel and sustenance	54,000	59,065
Drafting materials and office supplies	54,000	138,108
Outside printing	-	5,498
Postage and shipping	23,000	20,038
Occupancy and telephone	435,500	432,365
Interest expense	4,000	504
Legal and audit	99,500	111,615
Insurance and maintenance of equipment	38,000	41,422
Professional services	50,000	75,717
Depreciation and amortization	125,000	47,840
Memberships, registration fees, subscriptions and publications	22,000	18,431
Advertising and temporary services	10,000	18,930
Other	7,765	9,228
Internet cost and website management	9,500	7,476
Meeting and hearings	7,000	5,715
Total indirect costs	\$ 1,599,998	\$ 1,646,281
Allocation base: Direct personnel	\$ 1,400,000	\$ 1,402,513
Indirect cost rate applied	114.29%	117.38%

Notes:

1. Approval of the provisional indirect cost rate for the year ended June 30, 2004 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 114.3 percent was authorized by ODOT. The provisional rate is the budgeted rate adjusted for the excess amounts recovered in prior years.
3. There were no questioned costs in the indirect cost pool or the direct personnel allocation base.
4. The provisional rate was utilized during fiscal year 2004 for grant application purposes. The final 2004 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 Change in Fund Net Assets reflect the application of actual rates. Individual program costs presented on pages 14 to 37 reflect the application of fixed rates.

STATEMENTS OF CUMULATIVE REVENUES AND EXPENDITURES

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OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC
FY 2003 TRANSPORTATION PLANNING
as of June 30, 2004

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2003</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:				
Federal and state				
Ohio: ODOT (HPR-PL funds)	\$ 1,542,122	\$ 1,511,450	\$ 13,263	\$ 1,524,713
Kentucky: KYTC (HPR-PL funds)	250,555	224,387	1,936	226,323
Kentucky: KYTC (FTA Funds)	78,443	65,872	528	66,400
Local Matching Funds	208,434	219,160	1,948	221,108
In-kind funds	259,387	-	-	-
Total Revenues	<u>\$ 2,338,941</u>	<u>\$ 2,020,869</u>	<u>\$ 17,675</u>	<u>\$ 2,038,544</u>
Expenditures:				
Direct Personnel	\$ 923,775	\$ 733,003	\$ 5,343	\$ 738,346
Fringe Benefits	388,580	379,476	2,844	382,320
Indirect	901,695	807,546	6,856	814,402
Travel, subsistence & professional development	-	6,296	5	6,301
Printing, marketing & contractual	82,000	45,052	2,625	47,677
Other Expenditures	42,891	49,496	2	49,498
Total Expenditures	<u>\$ 2,338,941</u>	<u>\$ 2,020,868</u>	<u>\$ 17,675</u>	<u>\$ 2,038,544</u>
Tasks:				
Short range planning	\$ 277,554	\$ 288,648	\$ -	\$ 288,648
Transportation improvement	110,000	106,179	4,794	110,973
System characteristics	920,312	973,466	2,625	976,091
Long range planning	766,596	501,390	-	501,390
Public Involvement	200,000	91,233	10,256	101,489
Kentucky exclusive - Kenton County	26,948	6,634	-	6,634
Air quality program	37,531	53,319	-	53,319
Total Tasks	<u>\$ 2,338,941</u>	<u>\$ 2,020,869</u>	<u>\$ 17,675</u>	<u>\$ 2,038,544</u>

NOTES:

1. The grant period for FY 2003 Transportation Planning was July 1, 2002 to December 31, 2003.
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 an overall work program approved each fiscal year.
3. In accordance with the agreement, Federal and State grant funds do not exceed the matching requirements established in the FY 2003 overall work program.
4. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
OHIO EXCLUSIVE
EASTERN CORRIDOR STUDY
as of June 30, 2004

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2003</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:				
Federal and state				
Ohio: STP/CMAQ	\$ 1,170,000	\$ 1,073,927	\$ 4,644	\$ 1,078,571
Local Matching Funds	130,000	119,323	21,467	140,790
Total Revenues	<u>\$ 1,300,000</u>	<u>\$ 1,193,250</u>	<u>\$ 26,111</u>	<u>\$ 1,219,361</u>
Expenditures:				
Direct Personnel	\$ 121,113	\$ 101,017	\$ 1,860	\$ 102,877
Fringe Benefits	52,219	48,312	942	49,254
Indirect	108,093	99,164	2,318	101,482
Travel, subsistence & professional development	4,500	2,395	34	2,429
Printing, marketing & contractual	1,000,000	937,528	-	937,528
Other Expenditures	14,075	4,834	6	4,840
Total Expenditures	<u>\$ 1,300,000</u>	<u>\$ 1,193,250</u>	<u>\$ 5,160</u>	<u>\$ 1,198,410</u>
Task:				
Eastern corridor study	<u>\$ 1,300,000</u>	<u>\$ 1,193,249</u>	<u>\$ 5,160</u>	<u>\$ 1,198,409</u>

NOTES:

1. The grant for the Eastern Corridor Study began July 1, 1996.
2. STP/ODOT funds are received under an agreement with the Ohio Department of Transportation to provide for a major investment study (MIS) of the eastern corridor. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year.
3. In accordance with the OKI/ODOT agreement, Federal grant revenues do not exceed 90 percent of expenditures incurred. The State of Ohio assists local-match contributes 10 percent from State revenue sources.
4. As of June 30, 2004, no costs subject to audit have been questioned

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
OHIO EXCLUSIVE
FY 2000 I-75 CORRIDOR MIS
as of June 30, 2004

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2003</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:				
Federal and state				
Ohio: ODOT/STP State Fund	\$ 8,739,096	\$ 7,356,913	\$ 870,557	\$ 8,227,470
Kentucky: KYTC/SNK	250,000	250,000	-	250,000
Local Matching Funds	406,750	406,956	-	406,956
Total Revenues	<u>\$ 9,395,846</u>	<u>\$ 8,013,869</u>	<u>\$ 870,557</u>	<u>\$ 8,884,426</u>
Expenditures:				
Direct Personnel	\$ 285,000	\$ 275,448	\$ 43,588	\$ 319,036
Fringe Benefits	131,528	118,941	22,173	141,114
Indirect	279,699	277,841	52,606	330,447
Travel, subsistence & professional development	5,000	3,893	338	4,231
Printing, marketing & contractual	8,679,619	7,324,999	750,473	8,075,472
Other Expenditures	15,000	12,747	1,379	14,126
Total Expenditures	<u>\$ 9,395,846</u>	<u>\$ 8,013,869</u>	<u>\$ 870,557</u>	<u>\$ 8,884,426</u>
Tasks:				
I-75 Corridor - Part A	\$ 4,828,846	\$ 4,703,583	\$ 220,200	\$ 4,923,783
I-75 Corridor - Part B	2,400,000	1,865,809	95,150	1,960,959
I-75 Corridor - Part C	1,800,000	1,444,477	193,581	1,638,058
I-75 Corridor - Part D	367,000	-	361,626	361,626
Total Tasks	<u>\$ 9,395,846</u>	<u>\$ 8,013,869</u>	<u>\$ 870,557</u>	<u>\$ 8,884,426</u>

NOTES:

1. The grant for the I-75 Corridor MIS began July 1, 1999.
2. ODOT funds are received under an agreement with the Ohio Department of Transportation. Revenues were received and expenditures incurred under an agreement between OKI and ODOT in accordance with an overall work program approved each fiscal year.
3. In accordance with the OKI/ODOT agreement, Federal grant revenues do not exceed the matching required. The first phase of this project requires a \$20,000 match. Other phases in funding required a match of \$386,750.
4. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
ODOT/TRAC
PRIMARY CORRIDOR
as of June 30, 2004

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2003</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:				
Federal and state				
Ohio: ODOT/TRAC	\$ 2,214,139	\$ 1,708,292	\$ 18,063	\$ 1,726,355
Local Matching Funds	553,535	427,073	7,387	434,460
Total Revenues	<u>\$ 2,767,674</u>	<u>\$ 2,135,365</u>	<u>\$ 25,450</u>	<u>\$ 2,160,815</u>
Expenditures:				
Direct Personnel	\$ 75,000	\$ 52,378	\$ 8,561	\$ 60,939
Fringe Benefits	33,750	21,512	4,336	25,848
Indirect	73,500	55,295	10,671	65,967
Travel, subsistence & professional development	3,000	8,639	1,143	9,782
Printing, marketing & contractual	2,577,424	1,984,051	-	1,984,051
Other Expenditures	5,000	13,490	739	14,228
Total Expenditures	<u>\$ 2,767,674</u>	<u>\$ 2,135,365</u>	<u>\$ 25,450</u>	<u>\$ 2,160,815</u>
Task:				
Primary corridor - I-71 TRAC	<u>\$ 2,767,674</u>	<u>\$ 2,135,365</u>	<u>\$ 25,450</u>	<u>\$ 2,160,815</u>

NOTES:

1. The grant for the Primary Corridor agreement began July 1, 2001.
2. This program is funded with ODOT/TRAC funds at a rate of 80 percent.
3. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
OHIO EXCLUSIVE
NORTHWESTERN BUTLER COUNTY MIS (STP)
as of June 30, 2004

	Budget	Cumulative Revenues and Expenditures as of June 30, 2003	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2004
Revenues:				
Federal and state				
Ohio:	\$ 320,000	\$ 252,130	\$ 62,200	\$ 314,330
Local Matching Funds	<u>80,000</u>	<u>63,034</u>	<u>15,549</u>	<u>78,583</u>
Total Revenues	<u>\$ 400,000</u>	<u>\$ 315,164</u>	<u>\$ 77,749</u>	<u>\$ 392,913</u>
Expenditures:				
Direct Personnel	\$ 28,654	\$ 20,147	\$ 5,176	\$ 25,323
Fringe Benefits	13,224	8,617	2,637	11,254
Indirect	28,122	20,691	6,212	26,903
Travel, subsistence & professional development	-	201	29	230
Printing, marketing & contractual	325,000	216,257	47,941	264,198
Other Expenditures	<u>5,000</u>	<u>49,251</u>	<u>15,754</u>	<u>65,005</u>
Total Expenditures	<u>\$ 400,000</u>	<u>\$ 315,164</u>	<u>\$ 77,749</u>	<u>\$ 392,913</u>
Task:				
NW Butler County Transportation MIS	<u>\$ 400,000</u>	<u>\$ 315,164</u>	<u>\$ 77,749</u>	<u>\$ 392,913</u>

NOTES:

1. The grant for the North West Butler County MIS began July 1, 2000.
2. STP funds are received under an agreement for the Northwestern Butler County major investment study. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year.
3. In accordance with the Federal grant, revenues do not exceed 80 percent of expenditures incurred.
4. As of June 30, 2004, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
KTC EXCLUSIVE - TRAFFIC MANAGEMENT PROGRAM (FY 2002)
CAMPBELL COUNTY TRANSPORTATION PLAN
as of June 30, 2004**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2003</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:				
Federal and state				
Kentucky: KYTC/PL	\$ 107,400	\$ 89,329	\$ 18,034	\$ 107,363
Local Matching Funds	36,600	15,764	3,189	18,953
Total Revenues	<u>\$ 144,000</u>	<u>\$ 105,093</u>	<u>\$ 21,223</u>	<u>\$ 126,316</u>
Expenditures:				
Direct Personnel	\$ 14,347	\$ 6,875	\$ 697	\$ 7,572
Fringe Benefits	6,300	3,392	356	3,748
Indirect	13,353	7,390	873	8,263
Travel, subsistence & professional development	-	51	-	51
Printing, marketing & contractual	110,000	86,747	19,297	106,044
Other Expenditures	-	638	-	638
Total Expenditures	<u>\$ 144,000</u>	<u>\$ 105,093</u>	<u>\$ 21,223</u>	<u>\$ 126,316</u>
Task:				
Program coordination	<u>\$ 144,000</u>	<u>\$ 105,093</u>	<u>\$ 21,223</u>	<u>\$ 126,316</u>

NOTES:

1. The grant period for KTC Exclusive Traffic Management Program is July 1, 2001 to December 31, 2003.
2. Funds are received under agreement with KYTC for traffic management programs. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year.
3. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC
FY 2004 PROJECT RIDESHARE
as of June 30, 2004

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:			
Federal and state			
Ohio: ODOT/CMAQ	\$ 112,558	\$ 112,392	\$ 112,392
Kentucky: KYTC/SNK	17,954	17,928	17,928
Local Matching Funds	4,488	4,482	4,482
Total Revenues	<u>\$ 135,000</u>	<u>\$ 134,802</u>	<u>\$ 134,802</u>
Expenditures:			
Direct Personnel	\$ 3,100	\$ 3,153	\$ 3,153
Fringe Benefits	1,600	1,597	1,597
Indirect	4,000	3,930	3,930
Travel, subsistence & professional development	-	-	-
Printing, marketing & contractual	124,500	124,328	124,328
Other Expenditures	1,800	1,794	1,794
Total Expenditures	<u>\$ 135,000</u>	<u>\$ 134,802</u>	<u>\$ 134,802</u>
Task:			
Marketing	<u>\$ 135,000</u>	<u>\$ 134,802</u>	<u>\$ 134,802</u>

NOTES:

1. State grants and contracts consist of the following (all costs were incurred after the effective dates):
 - a. ODOT agreement for the period July 1, 2003 through June 30, 2004 for \$112,392 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent.
 - b. KYTC agreement for the period July 1, 2003 through June 30, 2004 for \$17,928 in KYTC/SNK reimbursed to OKI at a participation rate of 80 percent.
2. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
OEPA
FY 2004 WATER QUALITY PLANNING - STATE 604B CONTRACT (OHIO)
as of June 30, 2004

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:			
Federal and state			-
Ohio: OEPA (EPA Funds)	\$ 50,211	\$ 50,211	\$ 50,211
Local Matching Funds	33,474	31,610	31,610
Total Revenues	<u>\$ 83,685</u>	<u>\$ 81,821</u>	<u>\$ 81,821</u>
Expenditures:			
Direct Personnel	\$ -	\$ 29,848	\$ 29,848
Fringe Benefits	-	15,251	15,251
Indirect	-	34,908	34,908
Travel, subsistence & professional development	-	621	621
Printing, marketing & contractual	-	-	-
Other Expenditures	-	1,193	1,193
Total Expenditures	<u>\$ 83,685</u>	<u>\$ 81,821</u>	<u>\$ 81,821</u>
Task:			
Program coordination	<u>\$ 83,685</u>	<u>\$ 81,821</u>	<u>\$ 81,821</u>

NOTES:

1. The grant period under the OEPA FY 2003 State 604B Contract is July 1, 2003 to June 30, 2004. This grant agreement provides for state revenues to be earned on adequate completion of products rather than cost reimbursement.
2. In accordance with the State OEPA contract, state grant revenues did not exceed \$50,211 as set forth in the grant budget and the local matching funds of \$31,610 were provided by OKI.
3. As of June 30, 2004, no costs subject to audit have been questioned.

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

**FY 2001 WATER QUALITY WATER QUALITY PLANNING - STATE 319 MILL CREEK CONTRACT (OHIO)
as of June 30, 2004**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2003</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:				
Federal and state				-
Ohio: OEPA (EPA Funds)	\$ 226,950	\$ 204,984	\$ 21,966	\$ 226,950
Local Matching Funds	22,200	17,702	(1,541)	16,161
In-kind	172,400	179,537	25,054	204,591
Total Revenues	<u>\$ 421,550</u>	<u>\$ 402,223</u>	<u>\$ 45,479</u>	<u>\$ 447,702</u>
Expenditures:				
Direct Personnel	\$ 54,101	\$ 39,112	\$ 5,929	\$ 45,041
Fringe Benefits	26,017	15,799	3,051	18,850
Indirect	50,032	39,554	6,557	46,111
Travel, subsistence & professional development	14,500	1,675	497	2,172
Printing, marketing & contractual	186,450	86,388	270	86,658
Other Expenditures	90,450	219,695	29,175	248,870
Total Expenditures	<u>\$ 421,550</u>	<u>\$ 402,223</u>	<u>\$ 45,479</u>	<u>\$ 447,702</u>
Task:				
State 319 Mill Creek Watershed	<u>\$ 421,550</u>	<u>\$ 402,223</u>	<u>\$ 45,479</u>	<u>\$ 447,702</u>

NOTES:

1. The grant period under the OEPA FY 2001 State 319 Mill Creek Contract is July 1, 2000 to June 30, 2004. This grant agreement provides for state revenues to be earned on adequate completion of products rather than cost reimbursement.
2. As of June 30, 2004, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
LOCAL WATER QUALITY PLANNING - SPRINGDALE, OHIO
as of June 30, 2004**

	Budget	Cumulative Revenues and Expenditures as of June 30, 2003	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2004
Revenues:				
Ohio: Local Contract Funds	\$ 10,000	\$ 5,009	\$ 4,991	\$ 10,000
Total Revenues	<u>\$ 10,000</u>	<u>\$ 5,009</u>	<u>\$ 4,991</u>	<u>\$ 10,000</u>
Expenditures:				
Direct Personnel	\$ 3,750	\$ 1,893	\$ 1,637	\$ 3,530
Fringe Benefits	1,675	959	836	1,795
Indirect	3,628	2,046	1,928	3,974
Travel, subsistence & professional development	350	80	78	158
Printing, marketing & contractual	250	-	-	-
Other Expenditures	347	31	4	35
Total Expenditures	<u>\$ 10,000</u>	<u>\$ 5,009</u>	<u>\$ 4,483</u>	<u>\$ 9,492</u>
Task:				
Local water quality planning - Springdale	<u>\$ 10,000</u>	<u>\$ 5,009</u>	<u>\$ 4,483</u>	<u>\$ 9,492</u>

NOTES:

1. The grant period for Local Water Quality Planning was July 1, 2002 to April 30, 2004.
2. Budget amounts were derived from FY 2003 Overall Agency Budget.
3. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
LOCAL WATER QUALITY PLANNING PROJECT - 2004
as of June 30, 2004

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:			
Local Contract Funds	\$ 29,265	\$ 14,585	\$ 14,585
Total Revenues	<u>\$ 29,265</u>	<u>\$ 14,585</u>	<u>\$ 14,585</u>
Expenditures:			
Direct Personnel	\$ -	\$ 5,166	\$ 5,166
Fringe Benefits	-	2,629	2,629
Indirect	-	6,214	6,214
Travel, subsistence & professional development	-	386	386
Printing, marketing & contractual	-	-	-
Other Expenditures	-	190	190
Total Expenditures	<u>\$ 29,265</u>	<u>\$ 14,585</u>	<u>\$ 14,585</u>
Task:			
Local water quality planning	<u>\$ 29,265</u>	<u>\$ 14,585</u>	<u>\$ 14,585</u>

NOTES:

1. The grant for the Local Water Quality Planning - 2004 Contract began July 1, 2003.
2. As of June 30, 2004, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
MILLER WATER QUALITY PLANNING PROJECT
as of June 30, 2004**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:			
Local Contract Funds	\$ 10,840	\$ 10,840	\$ 10,840
Total Revenues	<u>\$ 10,840</u>	<u>\$ 10,840</u>	<u>\$ 10,840</u>
Expenditures:			
Direct Personnel	\$ -	\$ 3,926	\$ 3,926
Fringe Benefits	-	1,989	1,989
Indirect	-	4,894	4,894
Travel, subsistence & professional development	-	-	-
Printing, marketing & contractual	-	-	-
Other Expenditures	-	31	31
Total Expenditures	<u>\$ 10,840</u>	<u>\$ 10,840</u>	<u>\$ 10,840</u>
Task:			
Miller Water Quality	<u>\$ 10,840</u>	<u>\$ 10,840</u>	<u>\$ 10,840</u>

NOTES:

1. The grant period for Local Water Quality Planning was July 1, 2002 to April 30, 2004.
2. Budget amounts were derived from FY 2004 Overall Agency Budget.
3. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
LOCAL REGIONAL PLANNING
as of June 30, 2004

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:			
Local Contract Funds	\$ 155,225	\$ 212,450	\$ 212,450
Total Revenues	<u>\$ 155,225</u>	<u>\$ 212,450</u>	<u>\$ 212,450</u>
Expenditures:			
Direct Personnel	\$ -	\$ 78,089	\$ 78,089
Fringe Benefits	-	40,027	40,027
Indirect	-	89,094	89,094
Travel, subsistence & professional development	-	3,118	3,118
Printing, marketing & contractual	-	6	6
Other Expenditures	-	2,116	2,116
Total Expenditures	<u>\$ 155,225</u>	<u>\$ 212,450</u>	<u>\$ 212,450</u>
Task:			
Local Regional Planning	<u>\$ 155,225</u>	<u>\$ 212,450</u>	<u>\$ 212,450</u>

NOTES:

1. The grant period for the Local Comprehensive Regional Planning Program was July 1, 2002 to June 30, 2003.
2. Budget amounts were derived from FY 2003 Overall Agency Budget.
3. Overrun funded with local funds underutilized in other program areas.
4. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
OHIO RIVER BIKE TRAIL
as of June 30, 2004

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2003</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:				
Federal and state				
Ohio: ODOT/PL	\$ 116,000	\$ 23,956	\$ 91,900	\$ 115,856
Local Matching Funds	15,000	6,644	8,135	14,779
Total Revenues	<u>\$ 131,000</u>	<u>\$ 30,600</u>	<u>\$ 100,035</u>	<u>\$ 130,635</u>
Expenditures:				
Direct Personnel	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-	-
Indirect	-	-	-	-
Travel, subsistence & professional development	-	-	-	-
Printing, marketing & contractual	130,500	30,565	99,935	130,500
Other Expenditures	500	35	100	135
Total Expenditures	<u>\$ 131,000</u>	<u>\$ 30,600</u>	<u>\$ 100,035</u>	<u>\$ 130,635</u>
Task:				
Ohio River Bike Trail	<u>\$ 106,000</u>	<u>\$ 30,600</u>	<u>\$ 100,035</u>	<u>\$ 130,635</u>

NOTES:

1. The grant for the Ohio River Bike Trail began December 1, 2002.
2. This program is funded with Federal/ODOT PL funds from FY03 encumbrances.
3. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
DEARBORN COUNTY TRANSPORTATION STUDY
as of June 30, 2004

	Budget	Cumulative Revenues and Expenditures as of June 30, 2003	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2004
Revenues:				
Local Contract Funds	\$ 175,000	\$ 47,964	\$ 114,094	\$ 162,058
Total Revenues	<u>\$ 175,000</u>	<u>\$ 47,964</u>	<u>\$ 114,094</u>	<u>\$ 162,058</u>
Expenditures:				
Direct Personnel	\$ 6,859	\$ 2,304	\$ 3,611	\$ 5,915
Fringe Benefits	3,064	1,167	1,853	3,020
Indirect	6,635	2,489	4,094	6,583
Travel, subsistence & professional development	-	47	47	94
Printing, marketing & contractual	158,392	41,265	104,475	145,740
Other Expenditures	50	692	14	706
Total Expenditures	<u>\$ 175,000</u>	<u>\$ 47,964</u>	<u>\$ 114,094</u>	<u>\$ 162,058</u>
Task:				
Dearborn County Transportation Study	<u>\$ 175,000</u>	<u>\$ 47,964</u>	<u>\$ 114,094</u>	<u>\$ 162,058</u>

NOTES:

1. The program for the Dearborn County Transportation Study began January 18, 2003.
2. This program was funded 100 percent by Dearborn County.
3. As of June 30, 2004, no costs subject to audit have been questioned.

STATEMENTS OF CUMULATIVE REVENUES AND EXPENDITURES

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OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC
FY 2004 TRANSPORTATION PLANNING
as of June 30, 2004

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:			
Federal and state			
Ohio: ODOT (HPR-PL funds)	\$ 1,728,854	\$ 1,678,841	\$ 1,678,841
Kentucky: KYTC (HPR-PL funds)	298,266	286,029	286,029
Kentucky: KYTC (FTA Funds)	81,462	78,124	78,124
Local Matching Funds	265,095	256,543	256,543
Total Revenues	<u>\$ 2,373,677</u>	<u>\$ 2,299,537</u>	<u>\$ 2,299,537</u>
Expenditures:			
Direct Personnel	\$ 830,281	\$ 829,225	\$ 829,225
Fringe Benefits	499,068	423,286	423,286
Indirect	1,008,928	976,447	976,447
Travel, subsistence & professional development	-	12,393	12,393
Printing, marketing & contractual	20,000	31,526	31,526
Other Expenditures	15,400	26,660	26,660
Total Expenditures	<u>\$ 2,373,677</u>	<u>\$ 2,299,537</u>	<u>\$ 2,299,537</u>
Tasks:			
Short range planning	\$ 352,555	\$ 352,120	\$ 352,120
System characteristics	1,040,271	1,013,717	1,013,717
Long range planning	846,600	820,427	820,427
KYTC Exclusive	-	-	-
Kentucky exclusive - Safety Studies	69,270	62,230	62,230
Transportation Summary	-	8,774	8,774
Air quality program	64,531	42,269	42,269
Total Tasks	<u>\$ 2,373,227</u>	<u>\$ 2,299,537</u>	<u>\$ 2,299,537</u>

NOTES:

1. The grant period for FY 2004 Transportation Planning was July 1, 2003 to September 30, 2004.
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 an overall work program approved each fiscal year.
3. In accordance with the agreement, Federal and State grant funds do not exceed the matching requirements established in the FY 2004 overall work program.
4. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC
FY 2004 SURFACE TRANSPORTATION PROGRAM (STP)
as of June 30, 2004

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:			
Federal and state			
Ohio: ODOT (STP)	\$ 375,000	\$ 365,498	\$ 365,498
Kentucky: Trans	61,000	12,939	12,939
Kentucky: FTA	-	3,535	3,535
Kentucky: (SNK Funds)	-	42,587	42,587
Local Matching Funds	13,770	13,815	13,815
Total Revenues	<u>\$ 449,770</u>	<u>\$ 438,374</u>	<u>\$ 438,374</u>
Expenditures:			
Direct Personnel	\$ 152,781	\$ 155,063	\$ 155,063
Fringe Benefits	81,356	79,257	79,257
Indirect	196,133	180,815	180,815
Travel, subsistence & professional development	-	1,238	1,238
Printing, marketing & contractual	-	14,500	14,500
Other Expenditures	19,500	7,501	7,501
Total Expenditures	<u>\$ 449,770</u>	<u>\$ 438,374</u>	<u>\$ 438,374</u>
Tasks:			
Transportation Improvement	\$ 62,000	\$ 65,940	\$ 65,940
Energy	47,531	43,390	43,390
Land Use Planning	200,000	210,900	210,900
Public Involvement Planning	140,239	118,144	118,144
Total Tasks	<u>\$ 449,770</u>	<u>\$ 438,374</u>	<u>\$ 438,374</u>

NOTES:

1. The grant for the Surface Transportation Program agreement began July 1, 2003.
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 an overall work program approved each fiscal year.
3. This program is funded with STP funds at a rate of 80 percent.
4. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
ODOT/KYTC/CMAQ
OZONE AWARENESS PROGRAM 2003 - 2005
as of June 30, 2004

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2003</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:				
Federal and state				
Ohio: ODOT/CMAQ	\$ 1,200,359	\$ 139,135	\$ 889,214	\$ 1,028,349
Kentucky: KYTC/CMAQ	191,467	22,187	141,796	163,983
Local Matching Funds	47,866	5,547	35,450	40,997
Total Revenues	<u>\$ 1,439,692</u>	<u>\$ 166,869</u>	<u>\$ 1,066,460</u>	<u>\$ 1,233,329</u>
Expenditures:				
Direct Personnel	\$ 98,878	\$ 23,483	\$ 133,267	\$ 156,750
Fringe Benefits	50,552	16,265	68,075	84,340
Indirect	113,262	33,640	156,095	189,735
Travel, subsistence & professional development	-	197	3,822	4,019
Printing, marketing & contractual	1,157,000	92,019	695,018	787,037
Other Expenditures	20,000	1,265	10,183	11,448
Total Expenditures	<u>\$ 1,439,692</u>	<u>\$ 166,869</u>	<u>\$ 1,066,460</u>	<u>\$ 1,233,329</u>

NOTES:

1. The grant period for the Ozone Reduction Program began May 1, 2002.
2. CMAQ/ODOT/KYTC funds are received under an agreement with the Ohio Department of Transportation and the Kentucky Transportation Cabinet. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year.
3. In accordance with the OKI/ODOT agreement, Federal grant revenues do not exceed 90 percent of expenditures incurred. The State of Ohio assists local match contributions providing 10 percent from state revenue sources.
4. As of June 30, 2004, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
BOONE COUNTY TRANSPORTATION STUDY
as of June 30, 2004**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:			
Federal and state			
Kentucky: KYTC/PL	\$ 104,000	\$ 36,326	\$ 36,326
Local Matching Funds	26,000	\$ 9,081	9,081
Total Revenues	<u>\$ 130,000</u>	<u>\$ 45,407</u>	<u>\$ 45,407</u>
Expenditures:			
Direct Personnel	\$ 30,182	\$ 2,568	\$ 2,568
Fringe Benefits	17,315	1,321	1,321
Indirect	37,503	2,840	2,840
Travel, subsistence & professional development	-	13	13
Printing, marketing & contractual	45,000	38,533	38,533
Other Expenditures	-	132	132
Total Expenditures	<u>\$ 130,000</u>	<u>\$ 45,407</u>	<u>\$ 45,407</u>
Task:			
Boone County Transportation Study	<u>\$ 130,000</u>	<u>\$ 45,407</u>	<u>\$ 45,407</u>

NOTES:

1. The grant for the Boone County Transportation Study began July 1, 2003.
2. The program is funded with funds from the State of Kentucky at a rate of 80 percent.
3. As of June 30, 2004, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
ODOT/CMAQ
HAMILTON COUNTY TID
as of June 30, 2004**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2003</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:				
Federal and state				
Ohio ODOT/CMAQ:	\$ 400,000	\$ 130,944	\$ -	\$ 130,944
Total Revenues	<u>\$ 400,000</u>	<u>\$ 130,944</u>	<u>\$ -</u>	<u>\$ 130,944</u>
Expenditures:				
Direct Personnel	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-	-
Indirect	-	-	-	-
Travel, subsistence & professional development	-	-	-	-
Printing, marketing & contractual	400,000	130,944	-	130,944
Other Expenditures	-	-	-	-
Total Expenditures	<u>\$ 400,000</u>	<u>\$ 130,944</u>	<u>\$ -</u>	<u>\$ 130,944</u>
Task:				
Hamilton County TID	<u>\$ 400,000</u>	<u>\$ 130,944</u>	<u>\$ -</u>	<u>\$ 130,944</u>

NOTES:

1. The grant for the Hamilton County TID began July 1, 2002.
2. CMAQ/ODOT funds are received under an agreement with the Ohio Department of Transportation. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year.
3. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
COMPREHENSIVE REGIONAL IMPACT STUDY
as of June 30, 2004

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:			
Federal and state			
Ohio: ODOT/STP	\$ 300,000	\$ 130,307	\$ 130,307
Total Revenues	<u>\$ 300,000</u>	<u>\$ 130,307</u>	<u>\$ 130,307</u>
Expenditures:			
Direct Personnel	\$ 106,525	\$ 41,961	\$ 41,961
Fringe Benefits	56,725	21,394	21,394
Indirect	136,750	49,846	49,846
Travel, subsistence & professional development	-	62	62
Printing, marketing & contractual	-	17,025	17,025
Other Expenditures	-	19	19
Total Expenditures	<u>\$ 300,000</u>	<u>\$ 130,307</u>	<u>\$ 130,307</u>
Task:			
Comprehensive Regional Impact Study	<u>\$ 300,000</u>	<u>\$ 130,307</u>	<u>\$ 130,307</u>

NOTES:

1. The grant for the Comprehensive Regional Impact Study began July 1, 2003.
2. STP funds are received under an agreement for the Comprehensive Regional Impact major investment study. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year.
3. In accordance with the Federal grant, revenues do not exceed 100 percent of expenditures incurred.
4. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
DIXIE HIGHWAY STUDY
as of June 30, 2004

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2003</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:				
Federal and state				
Kentucky: KYTC/CMAQ	\$ 405,000	\$ 1,521	\$ 186,718	\$ 188,239
Local Matching Funds	45,000	169	20,747	20,916
Total Revenues	<u>\$ 450,000</u>	<u>\$ 1,690</u>	<u>\$ 207,465</u>	<u>\$ 209,155</u>
Expenditures:				
Direct Personnel	\$ 31,067	\$ 418	\$ 8,658	\$ 9,076
Fringe Benefits	13,878	212	4,452	4,664
Indirect	30,055	452	9,632	10,084
Travel, subsistence & professional development	-	3	-	3
Printing, marketing & contractual	375,000	-	184,680	184,680
Other Expenditures	-	605	43	648
Total Expenditures	<u>\$ 450,000</u>	<u>\$ 1,690</u>	<u>\$ 207,465</u>	<u>\$ 209,155</u>
Task:				
Dixie Highway Transportation Study	<u>\$ 450,000</u>	<u>\$ 1,690</u>	<u>\$ 207,465</u>	<u>\$ 209,155</u>

NOTES:

1. The grant for the Dixie Highway Study began March 1, 2003.
2. The program is finished with funds from the State of Kentucky at a rate of 90 percent.
3. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
WARREN COUNTY CORRIDOR STUDY
as of June 30, 2004

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:			
Federal and state			
Ohio: ODOT/STP	\$ 800,000	\$ 234,876	\$ 234,876
Local Matching Funds	200,000	58,719	58,719
Total Revenues	<u>\$ 1,000,000</u>	<u>\$ 293,595</u>	<u>\$ 293,595</u>
Expenditures:			
Direct Personnel	\$ 75,000	\$ 21,634	\$ 21,634
Fringe Benefits	37,500	11,126	11,126
Indirect	78,750	24,041	24,041
Travel, subsistence & professional development	500	140	140
Printing, marketing & contractual	800,000	236,402	236,402
Other Expenditures	8,250	252	252
Total Expenditures	<u>\$ 1,000,000</u>	<u>\$ 293,595</u>	<u>\$ 293,595</u>
Task:			
Warren County Corridor Study	<u>\$ 1,000,000</u>	<u>\$ 293,595</u>	<u>\$ 293,595</u>

NOTES:

1. The grant for the Warren County Corridor Study began July 1, 2003.
2. STP funds are received under an agreement for the Warren County Corridor major investment study. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year.
3. In accordance with the Federal grant, revenues do not exceed 80 percent of expenditures incurred.
4. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES
UPTOWN TRANSPORTATION STUDY
as of June 30, 2004

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2004</u>
Revenues:			
Local Contract Funds	\$ 30,000	\$ 20,999	\$ 20,999
Total Revenues	<u>\$ 30,000</u>	<u>\$ 20,999</u>	<u>\$ 20,999</u>
Expenditures:			
Direct Personnel	\$ -	\$ 8,009	\$ 8,009
Fringe Benefits	-	4,122	4,122
Indirect	-	8,857	8,857
Travel, subsistence & professional development	-	3	3
Printing, marketing & contractual	-	-	-
Other Expenditures	-	8	8
Total Expenditures	<u>\$ 30,000</u>	<u>\$ 20,999</u>	<u>\$ 20,999</u>
Task:			
Uptown Transportation Study	<u>\$ 30,000</u>	<u>\$ 20,999</u>	<u>\$ 20,999</u>

NOTES:

1. The grant for the Uptown Transportation Study began July 1, 2003.
2. SORTA funds are received under an agreement for the Uptown Transportation major investment study. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year.
3. As of June 30, 2004, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended June 30, 2004

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	Federal Award Amount	Total Project Budget	Total Federal Expenditures for the year ended June 30, 2004	Cumulative Federal Expenditures as of June 30, 2004
FHWA Transportation Planning					
Passed through State Department of Transportation (Ohio & Kentucky)					
FHWA Highway Planning					
FY 2003 Transportation Planning	20.205	\$ 1,871,120	\$ 2,338,941	\$ 15,727	\$ 1,817,436
FY 2004 Transportation Planning	20.205	2,108,582	2,373,677	2,042,994	2,042,994
Ohio Exclusive Eastern Corridor Study	20.205	1,170,000	1,300,000	4,644	1,078,570
FY 2004 Surface Transportation Program	20.205	436,000	449,770	424,559	424,559
Ozone Awareness Program - 2003 - 2005	20.205	139,182	1,439,692	1,031,010	1,192,332
FY 2000 I-75 Corridor Project	20.205	8,989,096	9,395,846	870,557	8,477,470
FY 2001 Primary Corridor ODOT/TRAC - I71	20.205	2,214,139	2,767,674	18,063	1,726,355
Ohio Exclusive Northwestern Butler County MIS	20.205	320,000	400,000	62,199	314,330
Campbell County Transportation Plan	20.205	107,400	144,000	18,034	107,363
Boone County Study	20.205	104,000	130,000	36,326	36,326
FY 2004 Project Rideshare	20.205	130,512	135,000	130,320	130,320
Comprehensive Planning Grant	20.205	300,000	300,000	130,307	130,307
Ohio River Bike Trail	20.205	116,000	131,000	91,900	115,856
Dixie Highway Transit Study	20.205	405,000	450,000	186,718	188,239
Warren County Study	20.205	800,000	1,000,000	234,876	234,876
Total FHWA Transportation Planning		19,211,031	22,755,600	5,298,234	18,017,333
U.S. Environmental Protection Agency					
Passed through State Environmental Protection Agency					
FY 2004 604B Water Quality Planning Project	66.419	50,211	83,685	50,211	50,211
FY 2001 Water Quality Planning - State 319 Mill Creek	66.419	226,950	421,550	21,966	226,950
Total U.S. Environmental Protection Agency		277,161	505,235	72,177	277,161
TOTAL		\$ 19,488,192	\$ 23,260,835	\$ 5,370,411	\$ 18,294,494

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended June 30, 2004**

1. The supplementary schedule of expenditures of Federal awards was prepared using the accrual basis of accounting.
2. OKI receives certain Federal awards as pass-through awards from various states (Ohio, and Kentucky). The amounts received are federal and non Federal funds that are combined by the states and expenditures cannot be separately identified. The total amount of such pass-through awards is included in the supplemental schedule of expenditures of federal awards.
3. Expenditures for fringe benefits and indirect costs included in the schedule of expenditures of federal awards reflect the application of fixed rates.



Foxx & Company
Certified Public Accountants

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of Ohio-Kentucky-Indiana Regional Council of Governments (OKI) as of and for the year ended June 30, 2004, and have issued our report thereon dated October 29, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether OKI's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered OKI's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Executive Committee, management of OKI, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Fox & Company

Cincinnati, Ohio
October 29, 2004



Foxx & Company
Certified Public Accountants

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

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

Compliance

We have audited the compliance of Ohio-Kentucky-Indiana-Regional Council of Governments (OKI) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. OKI's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of OKI's management. Our responsibility is to express an opinion on OKI's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about OKI's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on OKI's compliance with those requirements.

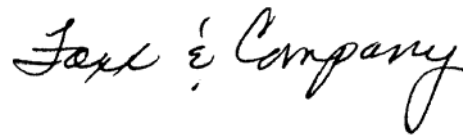
In our opinion OKI complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of OKI is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered OKI's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components do not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Executive Committee, management of OKI, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Jaxx & Company". The signature is written in black ink and is positioned to the left of a vertical red line.

Cincinnati, Ohio
October 29, 2004

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2004**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued	Unqualified
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	Yes	No
Internal control over financial reporting:		
Material weakness(es) identified?		X
Reportable condition(s) identified that are not considered to be material weakness(es)?		X
Noncompliance material to financial statements noted?		X

Federal Awards

Internal control over major programs:	Unqualified
--	--------------------

	Yes	No
Material weakness(es) identified?		X
Reportable condition(s) identified that are not considered to be material weakness(es)?		X

Type of auditor's report issued on compliance for major programs:	Unqualified
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Any audit findings disclosed that are required to be reported in accordance Circular A-133, Subpart __.510(a)?		X
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Identification of Major Programs

Name of Federal Program or Cluster	CFDA Number(s)	
Federal Highway Planning	20.205	
Dollar threshold used to distinguish between Type A and Type B programs	\$300,000 or more	
Auditee qualified as low-risk auditee?	Yes	

Section II - Financial Statement Findings

No matters are reportable.

Section III-Federal Award Findings and Questioned Costs

No matters are reportable.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
June 30, 2004**

There were no prior audit findings or questioned costs relative to Federal awards for the audit of the Ohio-Kentucky-Indiana Regional Council of Government for the year ended June 30, 2004.



**Auditor of State
Betty Montgomery**

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800-282-0370

Facsimile 614-466-4490

**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
MARCH 22, 2005**