

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

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

FOR THE YEARS ENDED JUNE 30, 2016 AND 2015



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Ohio-Kentucky-Indiana Regional Council of Governments, Hamilton County, prepared by Bastin & Company, LLC, for the audit period July 1, 2015 through June 30, 2016. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

February 10, 2017

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OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS

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ACRONYMS/ABBREVIATIONS

CMAQ	Congestion Mitigation and Air Quality
EPA	Environmental Protection Agency
FAST	Fixing America's Surface Transportation (FAST) Act
FHWA	Federal Highway Administration
FIAM	Fiscal Impact Analysis Model
FTA	Federal Transit Administration
GIS	Geographic Information System
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
MARC	Mid-America Regional Council
MPO	Metropolitan Planning Organization
NARC	National Association of Regional Councils
ODOT	Ohio Department of Transportation
OEPA	Ohio Environmental Protection Agency
OKI	Ohio-Kentucky-Indiana Regional Council of Governments
PL	Planning
SNK	Surface Transportation Planning (Northern Kentucky)
STP	Surface Transportation Planning (Ohio and Indiana)
UPWP	Unified Planning Work Program

Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

To the Executive Committee:

Report on the Financial Statements

We have audited the accompanying financial statements of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI), as of and for the years ended June 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise OKI's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OKI as of June 30, 2016 and 2015, and the changes in its financial position and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's discussion and analysis* on pages 3-15 to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

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

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

The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and is not a required part of the financial statements.

The schedules are management's responsibility, and derive from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected these schedules to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling the schedules 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, these schedules are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2016, on our consideration of OKI's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering OKI's internal control over financial reporting and compliance.



Cincinnati, Ohio
December 6, 2016

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016
(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, 2016. Please read it in conjunction with OKI's financial statements, which follow this section.

OKI AT A GLANCE

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

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

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

ACTIVITIES AND PROJECTS

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

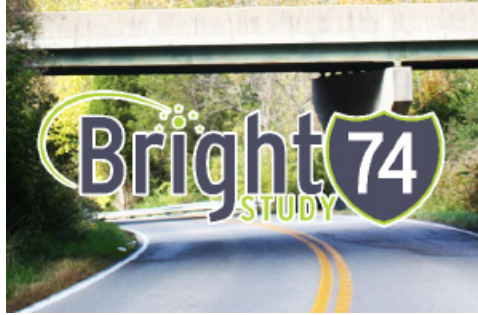
OKI Projects Include...

BRENT SPENCE BRIDGE CORRIDOR



As the leader in bringing all the necessary players to the table for this \$2.6 billion dollar project. OKI is dedicated to seeing this project built and the sooner, the better. The new and refurbished existing bridge along with eight miles of expanded and improved Interstate 75 will increase travel efficiency and safety on this nationally important freight corridor.

BRIGHT 74 STUDY



OKI has begun a planning study that will identify multi-modal transportation needs, develop conceptual solutions and evaluate improvement alternatives for the unincorporated Bright Area of northeastern Dearborn County, Indiana. The Bright 74 Study will investigate options for improvements to existing roadways, potential new roadways, and/or a combination of both to improve safety, access and other travel needs between the Bright Area and Interstate 74.

WESTERN HILLS VIADUCT



Cincinnati's gateway to the West Side, the Western Hills Viaduct is a double-decked bridge spanning the Queen City rail yard, connecting several major roadways and has a water main built into it. The viaduct is considered the most decrepit bridge in the region with Federal inspectors declaring it structurally deficient. Engineers say it needs to be replaced within a decade with current estimates at \$280 million. The viaduct carries almost 71,000 vehicles a day and is 84 years old.

RIVERFRONT COMMONS



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

SOLAR READY



Solar Ready II is funded by a Rooftop Solar Challenge award through the U.S. Department of Energy's SunShot Initiative. OKI partnered with 10 regional planning councils across the country in streamlining local government permitting and planning processes, exploring financing options, and identifying other best practices to better facilitate the installation of solar energy. In addition, OKI developed a solar map to provide general information about the estimated annual solar energy potential on building rooftops in the OKI region.

TAKING ROOT



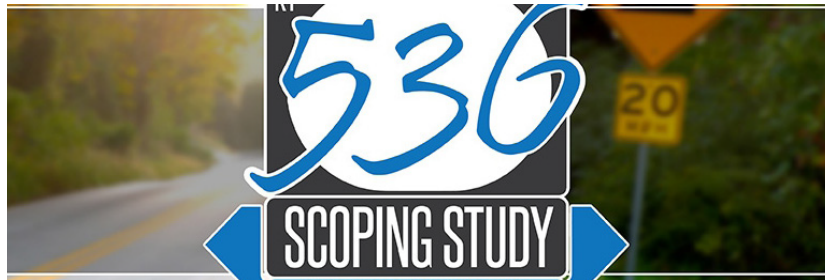
OKI, the Cincinnati Zoo & Botanical Garden, The Green Partnership for Greater Cincinnati and Green Umbrella launched and continues to support the collaborative, broad-based Taking Root campaign to address the loss of the region's tree canopy. Taking Root aims to combat the local tree crisis through education, better management of existing trees and by planting 2 million trees by 2020.

RIDESHARE



The RideShare program enables commuters to save time and money through carpools and vanpools. OKI works with individuals and major employers in the region on how RideShare can work for them.

KENTUCKY 536 SCOPING STUDY



Multi-modal transportation improvement alternatives for KY 536, between KY 17 and the Kenton/Campbell county line, have been developed over the past year in close coordination with local residents, property owners, businesses and local and regional community leaders. The KY 536 Scoping Study has concluded with the selection for an off-alignment recommendation.

HOMELAND SECURITY



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

URBAN AND COMMUNITY U.S. FORESTRY CHALLENGE GRANT



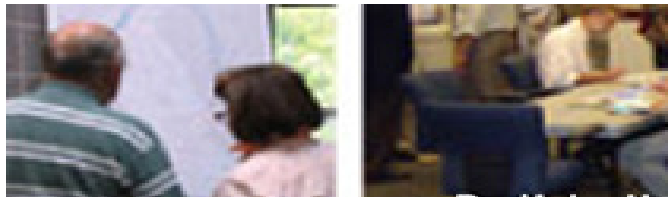
OKI and a team of national partners are developing a guide for local decision makers to use as a resource for promoting, facilitating and increasing the use of trees for storm water management. This guide will help to overcome barriers for managing storm water by providing a practical tool that informs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

REGIONAL INFRASTRUCTURE IMPROVEMENT ZONES (RIIZ)



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

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.

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.

EASTERN CORRIDOR



OKI continues to assist in the development of this project that provides multi-modal solutions to transportation issues and maximizes regional benefits. The Eastern Corridor stretches from the downtown Cincinnati urbanized core in Hamilton County to western Clermont County in Ohio and into northern Kentucky.

NEW MLK / I-71 INTERCHANGE



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

FINANCIAL HIGHLIGHTS

During fiscal year 2016:

- OKI continued two partnerships with counties and organizations within the region to implement the Fiscal Impact Analysis Model (FIAM). Both of these partnerships will continue into fiscal year 2017, with one of them expanding, providing \$14,500 in local match for fiscal year 2017 model activities. FIAM activities will carry into the next year and OKI will continue to follow up with communities that have expressed an interest in becoming new partners.
- OKI continued executing partnership agreements with advertising outlets to provide value added services as match for the Clean Air and RideShare programs. The value of these services was used as match for the Kentucky share of these programs. Currently the Ohio share of these programs does not require match. ODOT provides 100% funding for RideShare and toll revenue credits as match for Clean Air. During fiscal year 2016 the RideShare Program received \$25,010 in contributed services and the Clean Air Program received \$68,807 in contributed services.
- The Hamilton County Emergency Management Agency (HCEMA) engaged the services of OKI's GIS department to develop data sets to further the RAVEN911 project.
- Total assets exceeded liabilities as of June 30, 2016 by \$1,092,465, an increase of \$28,130 from June 30, 2015. 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 \$5,727,512 and operating expenses of \$5,699,382, resulting in operating income of \$28,130.
- Contributed services in excess of match required by programs and grants totaled \$67,549.

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 \$28,130, we feel that the financial position of OKI is more secure than it has been in a decade. 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>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Current assets	\$1,807	\$1,904	\$1,887
Capital assets, net	<u>63</u>	<u>61</u>	<u>42</u>
Total assets	<u>1,870</u>	<u>1,965</u>	<u>1,929</u>
Current liabilities	677	802	662
Non-current liabilities	<u>101</u>	<u>99</u>	<u>96</u>
Total liabilities	<u>778</u>	<u>901</u>	<u>758</u>
Net position:			
Net investment in capital assets	63	61	42
Unrestricted	<u>1,029</u>	<u>1,003</u>	<u>1,129</u>
Total net position	<u>\$1,092</u>	<u>\$1,064</u>	<u>\$1,171</u>

Current assets decreased by \$97k, or 5.1%, in 2016 due to a decrease in accounts receivable related to completion of the Kentucky 536 scoping study and the Bicycle/Pedestrian Pilot program combined with a decrease in cash. In 2015 current assets increased by \$17k, or 0.9%, due to an increase in prepaid expenses and an increase in accounts receivable related to the Kentucky 536 scoping study, the traffic data collection project, and the FTA New Freedom programs, combined with a decrease in cash.

Capital assets increased by \$2k, or 3.3%, in 2016 due to the purchase of \$27k in network equipment offset by depreciation of existing equipment and disposal of an obsolete phone system in-service since fiscal year 1999. In 2015 capital assets increased by \$19k, or 45.2%, due to the purchase of \$37k in network equipment offset by depreciation of existing equipment and disposal of obsolete equipment with in-service dates in fiscal years 2000 – 2005.

Current liabilities decreased by \$125k, or 15.6%, in 2016 due to a decrease in open payables related to completion of the Kentucky 536 scoping study and the traffic data collection project; a decrease in leave liabilities due to two staff retiring during the year; and a decrease in unearned revenues associated with completion of the American Planning Association Plan4Health project. In 2015 current liabilities increased by \$140k, or 21.1%, due to an increase in open payables related to the Kentucky 536 scoping study, the traffic data collection project, and purchase of bike-pedestrian count equipment; an increase in leave liabilities due to a decrease in leave usage as well as an additional staff member becoming eligible for partial sick leave payout; and an increase in unearned revenues associated with the American Planning Association Plan4Health project.

Non-current liabilities increased by \$2k, or 2.0%, in 2016 due to a net decrease in vacation leave usage in fiscal 2016. The overall increase in leave expense is contributable to leave payouts for the retirement of two long term employees. In 2015 non-current liabilities increased by \$3k, or 3.1%, due to a decrease in vacation leave usage in fiscal 2015.

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 \$26k, or 2.6%, in 2016 due to effective management of local water and regional planning activities combined with timing of current projects. In 2015 unrestricted net position decreased by \$126k, or 11.2%, due to the decision at budget time to use prior years' surplus to match the Kentucky 536 scoping study, timing of the annual meeting which occurred later in the summer, and general and administrative activities.

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>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Federal and state	\$4,495	\$4,332	\$3,868
State, local and county matching	1,104	980	975
Other revenue	53	6	42
Contributed services	<u>75</u>	<u>288</u>	<u>473</u>
Total operating revenue	<u>5,727</u>	<u>5,606</u>	<u>5,358</u>
Operating expenses			
Salaries and wages	2,456	2,365	2,330
Fringe benefits	1,116	1,134	948
Travel, subsistence and professional development	118	123	99
Printing, marketing and contractual	1,192	1,092	805
Depreciation	24	18	27
Other expenses	718	693	700
Contributed services	<u>75</u>	<u>288</u>	<u>473</u>
Total operating expenses	<u>5,699</u>	<u>5,713</u>	<u>5,382</u>
Operating income	<u>28</u>	<u>(107)</u>	<u>(24)</u>
Non-operating revenues (expenses)			
Contributed services	68	302	199
Contributed marketing	<u>(68)</u>	<u>(302)</u>	<u>(199)</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	28	(107)	(24)
Net position, beginning of year	<u>1,064</u>	<u>1,171</u>	<u>1,195</u>
Net position, end of year	<u>\$1,092</u>	<u>\$1,064</u>	<u>\$1,171</u>

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

Operating revenues increased by 4.6% from 2014 to 2015 due to an increase in federal and state revenues associated with addition of the Kentucky 536 scoping study, the American Planning Association Plan4Health project, and the transportation modeling data collection project, offset by a decrease in local revenues associated with renegotiation of the HCEMA project and decreased contributed services revenue related to New Freedom pass through activity levels.

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

Operating expenses increased by 6.1% from 2014 to 2015. Fringe benefits increased due to a 14% increase in health insurance premiums, an increase in sick leave liabilities due to an additional staff person being eligible for partial payout, and an increase in vacation liabilities due to a decrease in usage during the year. Travel, subsistence, and professional development increased due to staff traveling more in the STP, Rideshare, indirect, and G&A functions. Printing, marketing and contractual increased due to the KY536 scoping study. These increases were offset by a decrease in depreciation and a decrease in contributed services related to a decrease in New Freedom pass through.

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

Contributed services in excess of required match increased by 51.8% from 2014 to 2015 due to the program manager being able to negotiate better rates and partnerships for the Clean Air program.

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	\$4,495	\$4,874	\$ (379)
State, local and county matching	1,104	1,165	(61)
Other revenue	53	61	(8)
Contributed services	<u>75</u>	<u>192</u>	<u>(117)</u>
Total operating revenue	<u>5,727</u>	<u>6,292</u>	<u>(565)</u>
Operating expenses			
Salaries and wages	2,456	2,489	33
Fringe benefits	1,116	1,312	196
Travel, subsistence and professional development	118	155	37
Printing, marketing and contractual	1,192	1,397	205
Other expenses	742	769	27
Contributed services	<u>75</u>	<u>192</u>	<u>117</u>
Total operating expenses	<u>5,699</u>	<u>6,314</u>	<u>615</u>
Non-operating revenues (expenses)			
Contributed services	68	153	(85)
Contributed marketing	<u>(68)</u>	<u>(153)</u>	<u>85</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	28	(22)	50
Net position, beginning of year	<u>1,064</u>	<u>1,064</u>	<u>-</u>
Net position, end of year	<u>\$1,092</u>	<u>\$1,042</u>	<u>\$ 50</u>

Operating revenues were 91.0% of budget which is on budget. Federal and state revenues were lower than budgeted due to timing of the US Forestry project and Bright 74 study, both were budgeted to be active the entire year but didn't get started until mid-year, combined with FTA New Freedom and 5310 projects progressing slower than budgeted. Other revenues were under budget due to lower than budgeted freight conference revenues offset by higher than budgeted annual meeting revenues. Contributed

services revenues were lower than budgeted due to the timing of the US Forestry project and the New Freedom pass-through funded projects progressing slower than budgeted.

Operating expenses were at 90.3% of budget, which is on budget. Fringe benefits were under budget due to savings experienced on health insurance renewals, lower than budgeted utilization of the voluntary 403b plan, and lower than budgeted leave variance and liability adjustments due to unbudgeted leave payouts for two employees who retired during the year. Travel and professional development expenses were lower than budget due to lower than budgeted travel expenses for the Long Range Plan update, several budgeted professional development trips not taken and savings experienced on trips taken combined with lower than budgeted board travel. Printing, marketing and contractual expenses were under budget due to timing of the Bright 74 study and the US Forestry project combined with the slower than budgeted progress of the 5310 and New Freedom projects. Contributed services expenses were lower than budgeted due to the timing of the US Forestry project and the New Freedom pass-through funded projects progressing slower than budgeted.

In fiscal year 2016, OKI was able to stay just under budget due to careful management of local regional planning, and local water activities as well as the timing of the Bright 74 Study and US Forestry project, which shifted expenses into fiscal year 2017, contributed to the \$28k addition to net position rather than the budgeted decrease in net position.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2016, 2015 and 2014, OKI's capital assets are reflected in the following schedule.

CAPITAL ASSETS (\$ in Thousands)

	<u>FY2016</u>	<u>FY2015</u>	<u>FY2014</u>
Office furniture and equipment	\$ 631	\$ 638	\$ 666
Accumulated depreciation	<u>(568)</u>	<u>(577)</u>	<u>(624)</u>
Total	<u>\$ 63</u>	<u>\$ 61</u>	<u>\$ 42</u>

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

Net capital assets increased during fiscal year 2015 primarily due to the purchase of \$37k in network equipment offset by depreciation of existing equipment and disposal of obsolete equipment with in-service dates in fiscal years 2000 – 2005. A multi-function printer/copier/scanner, a replacement equallogic storage area network server, and replacement UPC network backup power source for the OKI network were purchased. Several obsolete servers, monitors, computers, a router, and other miscellaneous network equipment and software were disposed.

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

Debt

OKI maintains an \$850,000 bank line of credit if needed. The line of credit was not used during fiscal year 2016.

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 2016 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, 2016 AND 2015

ASSETS		
	2016	2015
CURRENT ASSETS:		
Cash and cash equivalents	\$ 794,917	\$ 853,268
Accounts receivable	986,317	1,021,112
Prepaid expenses	25,829	30,058
TOTAL CURRENT ASSETS	1,807,063	1,904,438
NONCURRENT ASSETS:		
Capital assets, net	63,238	61,162
TOTAL NONCURRENT ASSETS	63,238	61,162
TOTAL ASSETS	1,870,301	1,965,600
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	192,033	275,208
Accrued expenses	94,205	71,427
Compensated absences	215,143	227,333
Unearned revenue	175,497	227,741
TOTAL CURRENT LIABILITIES	676,878	801,709
NONCURRENT LIABILITIES		
Compensated absences	100,958	99,556
TOTAL NONCURRENT LIABILITIES	100,958	99,556
TOTAL LIABILITIES	777,836	901,265
NET POSITION		
Net investment in capital assets	63,238	61,162
Unrestricted	1,029,227	1,003,173
TOTAL NET POSITION	\$ 1,092,465	\$ 1,064,335

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, 2016 AND 2015

	2016	2015
OPERATING REVENUES:		
Federal and state grants	\$ 4,495,113	\$ 4,332,073
State, local and county matching funds	1,104,382	980,179
Other revenues	52,562	5,541
Contributed services	75,455	287,997
Total Operating Revenues	5,727,512	5,605,790
OPERATING EXPENSES:		
Direct expenses		
Personnel	1,451,012	1,394,493
Fringe benefits	1,049,157	1,016,497
Travel, subsistence and professional	95,689	96,577
Printing, marketing and contractual	1,138,761	1,039,056
Other direct expenses	109,226	96,617
Indirect costs	1,780,082	1,781,348
Contributed services	75,455	287,997
Total Operating Expenses	5,699,382	5,712,585
OPERATING INCOME	28,130	(106,795)
NON-OPERATING REVENUES (EXPENSES):		
Contributed services revenues	67,549	301,919
Contributed services expenses	(67,549)	(301,919)
Total Non-operating Revenues (Expenses)	-	-
CHANGE IN NET POSITION	28,130	(106,795)
Net Position Beginning of Year	1,064,335	1,171,130
Net Position End of Year	\$ 1,092,465	\$ 1,064,335

See accompanying notes to the financial statements.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Receipts from federal and state grants	\$ 4,523,757	\$ 4,187,110
Receipts from local grants and matching funds	1,111,841	997,284
Payments to employees	(3,561,049)	(3,457,272)
Payments to suppliers	(2,106,580)	(1,882,186)
Net cash provided by (used for) operating activities	(32,031)	(155,064)
Cash flows from capital related activities:		
Purchase of fixed assets	(26,320)	(36,803)
Net cash provided by (used for) capital financing activities	(26,320)	(36,803)
Net increase (decrease) in cash and cash equivalents	(58,351)	(191,867)
Cash and cash equivalents at beginning of year	853,268	1,045,135
Cash and cash equivalents at end of year	\$ 794,917	\$ 853,268
Reconciliation of operating income to net cash used for operating activities:		
Operating income	\$ 28,130	\$ (106,795)
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	24,244	17,739
Changes in assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable	34,795	(196,254)
Prepaid expenses	4,229	(13,039)
Increase (Decrease) in:		
Accounts payable	(83,175)	38,487
Accrued expenses	22,778	14,673
Unearned revenue	(52,244)	63,112
Compensated absences	(10,788)	27,013
Net cash provided by (used for) operating activities	\$ (32,031)	\$ (155,064)

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, 2016 AND 2015**

1. DESCRIPTION OF THE ENTITY

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of Presentation

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

Fund Accounting

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

Basis of Accounting

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

Measurement Focus

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

Cash and Cash Equivalents

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

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

During 2016, 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 also implemented GASB Statement No. 79 for 2016. The implementation of this GASB pronouncement had no effect on beginning net position. 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 2016, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$25 million. STAR Ohio reserves the right to limit the transaction to \$50 million, requiring the excess amount to be transacted the following business day(s), but only to the \$50 million limit. All accounts of the participant will be combined for these purposes.

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

Accounts Receivable

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

Prepaid Items

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

Capital Assets

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

Compensated Absences

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

Unearned Revenue

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

Net Position

Net position represents the difference between assets and liabilities.

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

Revenues and Expenses

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

Tax Status

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

Estimates

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

3. DEPOSITS AND INVESTMENTS

State statutes classify monies held by OKI into three categories.

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

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

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

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

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, OKI will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$44,451 of OKI's bank balance of \$294,451 was exposed to custodial credit risk because those deposits were uninsured and collateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject OKI to a successful claim by the FDIC.

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

Investments

As of June 30, 2016, OKI had the following investments:

	<u>Carrying Amount</u>	<u>Maturity</u>
STAR Ohio	<u>\$501,090</u>	Average 48.6 Days
Total Investments	<u>\$501,090</u>	

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

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

Concentration of Credit Risk: STAR Ohio represents 100% of OKI's investments at June 30, 2016.

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	\$794,917	\$ 0
STAR Ohio	<u>(501,090)</u>	<u>501,090</u>
Per Details Presented Above	<u>\$293,827</u>	<u>\$501,090</u>

4. ACCOUNTS RECEIVABLE

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

	<u>2016</u>	<u>2015</u>
Receivables Under Contracts and Grants		
Federal	\$ 46,039	\$ 30,330
Ohio	709,571	755,407
Kentucky	124,216	207,058
Indiana	60,369	28,288
Local and County	45,103	-
Receivables Other	<u>1,019</u>	<u>29</u>
Total Receivables	<u>\$986,317</u>	<u>\$1,021,112</u>

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5. CAPITAL ASSETS

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

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

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

Changes in capital assets for the year that ended June 30, 2015 are summarized below:

<u>Description</u>	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2015</u>
Office furniture and equipment	\$ 666,510	\$ 36,803	\$(64,955)	\$ 638,358
Less: accumulated depreciation	<u>(624,412)</u>	<u>(17,739)*</u>	<u>64,955</u>	<u>(577,196)</u>
Furniture and Equipment net	<u>\$ 42,098</u>	<u>\$ 19,064</u>	<u>\$ -</u>	<u>\$ 61,162</u>

*Depreciation expense of \$16,018 was charged to the indirect cost pool and \$1,721 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, 2016 and 2015, OKI had no borrowings against this line of credit.

7. COMPENSATED ABSENCES

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

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

Changes in compensated absences for the year that ended June 30, 2015 are summarized below:

<u>Balance</u>	<u>Entitlements</u>	<u>Usage</u>	<u>Balance</u>	<u>Due</u>
<u>July 1, 2014</u>			<u>June 30, 2015</u>	<u>Within One Year</u>
<u>\$299,876</u>	<u>\$385,806</u>	<u>\$(358,793)</u>	<u>\$326,889</u>	<u>\$227,333</u>

8. LEASE COMMITMENTS

OKI has an operating lease agreement for office facilities. The base annual lease amount is \$403,800. This amount cannot be increased through June 30, 2018, but is subject to annual escalators that are based on landlord cost and occupancy formulas. These escalators are cumulative in nature. Total rental expense (base lease plus escalators) was \$438,688 and 450,930 for the years ended June 30, 2016 and 2015, respectively.

9. EMPLOYEE RETIREMENT

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

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

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

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

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

OKI considers various factors in determining employee and employer contribution rates. These factors include overall budgetary constraints, budget committee direction as well as industry standards and comparative rates of other pension plans utilized by member counties. Based on these considerations, the Board approved changes to OKI's Employees Retirement Plan. Effective January 1, 2009, the retirement plan has two components, a mandatory 401(a) and a voluntary 403(b). Eligible employees are required to contribute 6% to the 401(a) plan and OKI matches 10%. Eligible employees may contribute additional funds to the 403(b) plan. OKI matches up to 4% on the first 3% of employee contributions. The Executive Director is not eligible for benefits under the new plans, and contributions, both employee and employer, remain at prior rates.

During 2016, 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 \$309,299 and \$303,556 for the years ended June 30, 2016 and 2015, 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 2016 and 2015 there were no forfeitures.

10. RISK MANAGEMENT

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

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

OKI has a premium based HDHP for employee health insurance coverage. OKI makes contributions to employee HSA accounts in accordance with the approved agency budget. Premium expense for 2016 and 2015 was \$493,867 and \$511,867, respectively.

11. CONTRIBUTED SERVICES

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

The Clean Air (Ozone Awareness) and RideShare programs partner with local advertising outlets, some of which provide value added services as match for the programs. Services can be air time, print ads, or promotional items to be given away at events. The amount of contributed services was \$93,817 (\$67,549 in excess of required match) and \$328,919 (\$301,919 in excess of required match) for the years ended June 30, 2016 and 2015, respectively.

Job Access Reverse Commute and New Freedom programs received contributed services in the form of partner activities in support of the projects per the grant agreements. The amount of the contributed services was \$13,088 for the year ended June 30, 2016 and \$251,134 for the year ended June 30, 2015.

The US Department of Energy Rooftop Solar Challenge – Solar Ready II program received contributed services in the form of stakeholder participation in support of the project per the sub-grant agreement. The amount of the contributed services was \$1,781 for the year ended June 30, 2016 and \$9,863 for the year ended June 30, 2015.

The Integrating Trees into Stormwater Management Design and Policy program received contributed services in the form of sub-grantee and stakeholder participation in support of the project per OKI's agreement with US Forestry and sub-grant agreements executed with NARC, Centerline, and Davey Trees. The amount of the contributed services was \$34,318 for the year ended June 30, 2016. This was a new program in fiscal year 2016, so no contributed services were received for the year ended June 30, 2015.

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.

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SUPPLEMENTARY INFORMATION

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES AND EXPENSES BY ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2016
(with comparative summary total for 2015)

	General & Administrative Activities	Environmental Planning Activities	Regional Planning	Ridesharing Implementation	Transportation Planning Activities	Total 2016	Total 2015
Operating Revenues:							
Federal & state grants	\$ -	\$ 200,465	\$ 122,779	\$ 194,564	\$ 3,977,305	\$ 4,495,113	\$ 4,332,073
State, local and county matching funds	76,187	97,895	34,936	-	895,364	1,104,382	980,179
Other revenue	52,562	-	-	-	-	52,562	5,541
Contributed services	-	36,099	-	11,268	28,088	75,455	287,997
Total Operating Revenues	128,749	334,459	157,715	205,832	4,900,757	5,727,512	5,605,790
Operating Expenses:							
Direct expenses							
Personnel	11,508	81,909	18,103	14,404	1,325,088	1,451,012	1,394,493
Fringe benefits	7,936	59,224	13,474	10,414	958,109	1,049,157	1,016,497
Travel, subsistence, and professional	30,600	2,181	242	38	62,628	95,689	96,577
Printing, marketing and contractual	7,275	44,815	102,279	151,798	832,594	1,138,761	1,039,056
Other direct expenses	28,938	9,748	1,654	240	68,646	109,226	96,617
Indirect costs	14,362	100,483	21,963	17,670	1,625,604	1,780,082	1,781,348
Contributed services	-	36,099	-	11,268	28,088	75,455	287,997
Total Operating Expenses	100,619	334,459	157,715	205,832	4,900,757	5,699,382	5,712,585
Non Operating Revenues (Expenses):							
Contributed services revenues	-	-	-	13,742	53,807	67,549	301,919
Contributed services expenses	-	-	-	(13,742)	(53,807)	(67,549)	(301,919)
Total Non Operating Revenues (Expenses)	-	-	-	-	-	-	-
Operating Income	\$ 28,130	\$ -	\$ -	\$ -	\$ -	\$ 28,130	\$ (106,795)

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, 2016**

	<u>Budget</u>	<u>Actual</u>
Fringe benefit costs:		
Holidays	\$ 94,631	\$ 91,379
Sick leave	71,897	78,362
Vacation	203,587	195,335
Administrative	9,405	3,503
Retirement	359,350	327,135
Group health	731,253	614,522
FICA	181,811	175,197
Workers compensation	5,088	3,679
Unemployment	1,200	-
Employee Incentives	2,265	6,192
	<u>1,660,487</u>	<u>1,495,304</u>
Total fringe benefit costs	<u>\$ 1,660,487</u>	<u>\$ 1,495,304</u>
Allocation base: Direct and indirect personnel	<u>\$ 2,131,343</u>	<u>\$ 2,068,045</u>
Fringe benefit cost rate	<u>77.91%</u>	<u>72.31%</u>

Notes:

1. Approval of the fringe benefit cost rate for the year ended June 30, 2016 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 77.91 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 2016 for grant invoicing purposes. The final 2016 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 31 through 49 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, 2016

	<u>Budget</u>	<u>Actual</u>
Indirect costs:		
Personnel	\$ 598,126	617,033
Fringe benefits	465,988	446,147
Auto allowance	8,700	8,700
Travel and professional development	26,455	18,142
Memberships	3,649	2,623
Printing	300	888
Repairs and maintenance	19,813	17,633
Office supplies	34,333	27,382
Postage	1,974	1,721
Rent	479,794	450,517
Telephone	7,274	8,024
Professional publications	1,280	1,276
Legal and audit	47,800	59,149
Reproductions	2,042	1,903
Insurance	23,625	26,015
Professional services	48,000	44,425
Legal notices	1,079	490
Depreciation	28,908	21,563
Payroll processing	7,298	7,591
Internet	12,460	11,396
Retirement plan admin & education fees	3,950	3,751
Other	3,572	3,713
Total indirect costs	<u>\$ 1,826,420</u>	<u>\$ 1,780,082</u>
Allocation base: Direct personnel	<u>\$ 1,533,217</u>	<u>\$ 1,451,012</u>
Indirect cost rate applied	<u>119.12%</u>	<u>122.68%</u>

Notes:

1. Approval of the provisional indirect cost rate for the year ended June 30, 2016 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 119.12 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 2016 for grant invoicing purposes. The final 2016 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 31 through 49 reflect the application of provisional rates adjusted to actual, subject to grant/program limitations.

SCHEDULES OF CUMULATIVE REVENUES AND EXPENDITURES

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FY 2016 Surface Transportation (STP) 33
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FTA TRANSIT PROGRAMS:

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US DEPARTMENT OF ENERGY PROGRAMS:

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US DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS:

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OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC/INDOT
FY 2015 TRANSPORTATION PLANNING
JUNE 30, 2016

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2015</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (MPO-PL Funds)	\$ 2,194,098	\$ 1,515,848	\$ 678,250	\$ 2,194,098
Kentucky: KYTC (HPR-PL Funds)	698,400	522,551	140,924	663,475
Kentucky: KYTC (FTA Funds)	138,843	94,986	33,417	128,403
Indiana: INDOT (Trans PL Funds)	25,647	25,647	-	25,647
State matching funds Ohio	274,262	189,481	84,781	274,262
State matching funds Kentucky	28,650	19,602	6,896	26,498
County matching funds	461,335	331,092	121,471	452,563
Total Operating Revenues	3,821,235	2,699,207	1,065,739	3,764,946
Operating Expenses:				
Direct expenses				
Personnel	995,125	745,989	252,805	998,794
Fringe benefits	747,240	536,834	196,961	733,795
Travel, subsistence & professional	57,295	31,100	10,252	41,352
Printing, marketing & contractual	712,500	417,098	275,445	692,543
Other direct expenses	40,689	14,359	29,134	43,493
Indirect costs	1,268,386	953,827	301,142	1,254,969
Total Operating Expenses	3,821,235	2,699,207	1,065,739	3,764,946
Tasks:				
Short range planning	84,060	60,888	20,222	81,110
Transportation improvement program	127,200	90,851	30,506	121,357
Surveillance	1,775,871	1,192,406	649,038	1,841,444
Long range planning - systems management	993,515	720,230	211,869	932,099
Long range planning - freight conference	34,500	11,075	23,261	34,336
Public involvement	213,375	156,385	59,436	215,821
INDOT exclusive	32,059	32,478	-	32,478
KYTC exclusive - Kenton scoping study	300,000	261,156	38,240	299,396
KYTC exclusive - transportation planning	165,280	109,177	-	109,177
UPWP administration	22,000	11,618	10,327	21,945
Transportation program reporting	5,875	5,486	364	5,850
Mobile source emissions planning	67,500	47,457	22,476	69,933
Total Tasks	\$ 3,821,235	\$ 2,699,207	\$ 1,065,739	\$ 3,764,946

NOTES:

- The grant period for FY 2015 Transportation Planning is July 1, 2014 through December 31, 2015.
- 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, 2015 are associated with FY15 KY contracts. Kentucky revenues (FTA and state) for the current fiscal year are associated with FY16 KY contracts. Kentucky PL revenues are a combination of FY15 and FY16 Contracts; \$30,592 is associated with the FY15 KYTC exclusive - Kenton scoping study and the remaining \$110,332 is associated with the FY16 KY contract. Please see footnote #3 on the FY 2016 Transportation Planning schedule. All within budget.
- As of June 30, 2016, 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 2016 CLEAN AIR (OZONE AWARENESS)
JUNE 30, 2016

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2016
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (CMAQ)	\$ 283,098	\$ 180,019	\$ 180,019
Kentucky: KYTC (SNK)	60,000	38,153	38,153
Contributed services	15,000	15,000	15,000
Total Operating Revenues	358,098	233,172	233,172
Operating Expenses:			
Direct expenses			
Personnel	33,263	5,727	5,727
Fringe benefits	25,915	4,141	4,141
Travel, subsistence & professional	52	7	7
Printing, marketing & contractual	240,501	198,812	198,812
Other direct expenses	3,744	2,459	2,459
Indirect costs	39,623	7,026	7,026
Contributed services	15,000	15,000	15,000
Total Operating Expenses	358,098	233,172	233,172
Non-operating Revenues (Expenses):			
Contributed services revenues	135,000	53,807	53,807
Contributed services expenses	(135,000)	(53,807)	(53,807)
Total Non-operating Revenues (Expenses)	-	-	-
Tasks:			
Ozone awareness program	358,098	286,979	286,979
Total Tasks	\$ 358,098	\$ 286,979	\$ 286,979

NOTES:

1. State grants and contracts consist of the following:
 - a. ODOT agreement for July 1, 2015 through June 30, 2016 for \$283,098 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent of Ohio's share of the Clean Air program. ODOT provided toll revenue credits in lieu of match.
 - b. KYTC funding agreement July 1, 2015 through June 30, 2016 for \$60,000 in KYTC/SNK. Expenses reimbursed to OKI at a participation rate of 17.4877 percent of FY2016 expenses, matched with contributed services. A minimum 20% match was required and exceeded.
2. As of June 30, 2016, no costs subject to audit have been questioned.

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

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

NOTES:

1. The grant period for the Land Use, FIAM and INDOT Surface Transportation Program agreements is July 1, 2015 through June 30, 2016. The grant period for the Bright 74 Corridor study is July 1, 2015 through December 31, 2016
2. FHWA/ODOT STP/KYTC SNK funds were received under agreements for specified long range planning activities. Revenues were received and expenditures incurred in accordance with a unified planning work program approved for the fiscal year.
3. The Land Use task was funded with STP/SNK funds from ODOT and KYTC. ODOT's 82.5123 percent was funded at 100 percent STP utilizing toll revenue credits for match and KYTC's 17.4877 percent was funded at 80 percent SNK funds with 20 percent from local funds.
4. The FIAM implementation and INDOT tasks were funded with 80 percent federal STP/SNK funds from ODOT, KYTC, and INDOT and matched 20 percent from local funds.
5. The Bright 74 Corridor study with 80 percent federal STP funds from INDOT and matched 20 percent local funds from Dearborn County.
6. As of June 30, 2016, 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 2016 RIDESHARE
JUNE 30, 2016

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2016
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (CMAQ)	\$ 212,324	\$ 160,539	\$ 160,539
Kentucky: KYTC (SNK)	45,000	34,025	34,025
Contributed services	11,250	11,268	11,268
Total Operating Revenues	268,574	205,832	205,832
Operating Expenses:			
Direct expenses			
Personnel	34,229	14,404	14,404
Fringe benefits	26,668	10,414	10,414
Travel, subsistence & professional	27	38	38
Printing, marketing & contractual	155,500	151,798	151,798
Other direct expenses	126	240	240
Indirect costs	40,774	17,670	17,670
Contributed services	11,250	11,268	11,268
Total Operating Expenses	268,574	205,832	205,832
Non-operating Revenues (Expenses):			
Contributed services revenues	13,750	13,742	13,742
Contributed services expenses	(13,750)	(13,742)	(13,742)
Total Non-operating Revenues (Expenses)	-	-	-
Tasks:			
Marketing	268,574	219,574	219,574
Total Tasks	\$ 268,574	\$ 219,574	\$ 219,574

NOTES:

1. State grants and contracts consist of the following:
 - a. ODOT agreement for the period July 1, 2015 through June 30, 2016 for \$212,324 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent of Ohio's share of the RideShare program.
 - b. KYTC agreement for the period July 1, 2015 through June 30, 2016 for \$45,000 in KYTC/SNK, reimbursed to OKI at a participation rate of 17.4877 percent of the FY2016 RideShare program and matched with contributed services. A minimum 20% match was required and exceeded.
2. As of June 30, 2016, no costs subject to audit have been questioned.

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

FTA

FY 2010 JOB ACCESS REVERSE COMMUTE ADMINISTRATION PROGRAM

JUNE 30, 2016

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2015</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 143,769	\$ 130,340	\$ 13,428	\$ 143,768
Total Operating Revenues	<u>143,769</u>	<u>130,340</u>	<u>13,428</u>	<u>143,768</u>
Operating Expenses:				
Direct expenses				
Personnel	48,966	43,765	4,519	48,284
Fringe benefits	35,931	30,269	3,521	33,790
Travel, subsistence & professional	-	944	-	944
Other direct expenses	176	1,045	5	1,050
Indirect costs	<u>58,696</u>	<u>54,317</u>	<u>5,383</u>	<u>59,700</u>
Total Operating Expenses	<u>143,769</u>	<u>130,340</u>	<u>13,428</u>	<u>143,768</u>
Tasks:				
Job Access Reverse Commute	<u>143,769</u>	<u>130,340</u>	<u>13,428</u>	<u>143,768</u>
Total Tasks	<u>\$ 143,769</u>	<u>\$ 130,340</u>	<u>\$ 13,428</u>	<u>\$ 143,768</u>

NOTES:

1. The Job Access Reverse Commute administration grant began October 28, 2009.
2. The Job Access Reverse Commute grant is 100% federally funded. Funds are used for administration of the Coordinated Public Transit Human Services Transportation Plan for the OKI region.
3. As of June 30, 2016, no costs subject to audit have been questioned.

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

FTA

FY 2012 NEW FREEDOM ADMINISTRATION PROGRAM

JUNE 30, 2016

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2015</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 98,666	\$ 98,332	\$ 328	\$ 98,660
Total Operating Revenues	98,666	98,332	328	98,660
Operating Expenses:				
Direct expenses				
Personnel	33,083	32,318	110	32,428
Fringe benefits	24,276	22,575	86	22,661
Travel, subsistence & professional	150	646	-	646
Other direct expenses	1,500	1,985	-	1,985
Indirect costs	39,657	40,808	132	40,940
Total Operating Expenses	98,666	98,332	328	98,660
Tasks:				
New Freedom Administration	98,666	98,332	328	98,660
Total Tasks	\$ 98,666	\$ 98,332	\$ 328	\$ 98,660

NOTES:

1. The New Freedom administration grant began January 12, 2012.
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, 2016 no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OEPA
FY 2016 OEPA STATE BIENNIUM WATER
JUNE 30, 2016

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2016
Operating Revenues:			
Federal and state grants			
Ohio: OEPA (EPA Funds)	\$ 75,000	\$ 73,678	\$ 73,678
County matching funds	922	234	234
Total Operating Revenues	75,922	73,912	73,912
Operating Expenses:			
Direct expenses			
Personnel	25,250	24,977	24,977
Fringe benefits	19,672	18,060	18,060
Travel, subsistence & professional	422	160	160
Other direct expenses	500	74	74
Indirect costs	30,078	30,641	30,641
Total Operating Expenses	75,922	73,912	73,912
Tasks:			
General assembly	75,922	73,912	73,912
Total Tasks	\$ 75,922	\$ 73,912	\$ 73,912

NOTES:

1. The grant period under the OEPA FY2016 State Biennium Water contract is July 1, 2015 through June 30, 2016 (State of Ohio grant).
2. The OEPA FY2016 State Biennium Water contract covered personnel, fringe and indirect costs. Direct costs were budgeted and paid with county funds.
3. As of June 30, 2016, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OEPA
FY 2016 OEPA 604B WATER QUALITY PLANNING
JUNE 30, 2016

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:			
Federal and state grants			
Ohio: OEPA (EPA Funds)	\$ 53,134	\$ 52,224	\$ 52,224
County matching funds	<u>2,258</u>	<u>1,435</u>	<u>1,435</u>
Total Operating Revenues	<u>55,392</u>	<u>53,659</u>	<u>53,659</u>
Operating Expenses:			
Direct expenses			
Personnel	17,888	17,704	17,704
Fringe benefits	13,937	12,801	12,801
Travel, subsistence & professional	209	303	303
Other direct expenses	2,050	1,132	1,132
Indirect costs	<u>21,308</u>	<u>21,719</u>	<u>21,719</u>
Total Operating Expenses	<u>55,392</u>	<u>53,659</u>	<u>53,659</u>
Tasks:			
Program coordination	<u>55,392</u>	<u>53,659</u>	<u>53,659</u>
Total Tasks	<u><u>\$ 55,392</u></u>	<u><u>\$ 53,659</u></u>	<u><u>\$ 53,659</u></u>

NOTES:

1. The grant period under the OEPA FY2016 State 604B Water Quality Planning contract is July 1, 2015 through June 30, 2016.
2. The OEPA FY2016 604b Water Quality Planning contract covered personnel, fringe and indirect costs. Direct costs were budgeted and paid with county funds.
3. As of June 30, 2016, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
DOE/MARC
FY 2014 US DEPARTMENT OF ENERGY ROOFTOP SOLAR CHALLENGE II
JUNE 30, 2016

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2015</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:				
Federal and state grants				
DOE (pass thru Mid America Regional Council)	\$ 91,402	\$ 81,701	\$ 9,701	\$ 91,402
County matching funds	24,484	19,584	11,585	31,169
Contributed services	<u>15,516</u>	<u>14,629</u>	<u>1,781</u>	<u>16,410</u>
Total Operating Revenues	<u>131,402</u>	<u>115,914</u>	<u>23,067</u>	<u>138,981</u>
Operating Expenses:				
Direct expenses				
Personnel	35,981	32,742	7,093	39,835
Fringe benefits	26,237	22,973	5,129	28,102
Travel, subsistence & professional	-	52	9	61
Printing, marketing & contractual	7,000	2,487	-	2,487
Other direct expenses	1,356	1,576	353	1,929
Indirect costs	45,312	41,455	8,702	50,157
Contributed services	<u>15,516</u>	<u>14,629</u>	<u>1,781</u>	<u>16,410</u>
Total Operating Expenses	<u>131,402</u>	<u>115,914</u>	<u>23,067</u>	<u>138,981</u>
Tasks:				
MARC Solar Ready II	<u>131,402</u>	<u>115,914</u>	<u>23,067</u>	<u>138,981</u>
Total Tasks	<u><u>\$ 131,402</u></u>	<u><u>\$ 115,914</u></u>	<u><u>\$ 23,067</u></u>	<u><u>\$ 138,981</u></u>

NOTES:

1. The original Professional Services Agreement period for the MARC Solar Ready II project was September 30, 2013 through March 30, 2015. In April 2015 the agreement was extended for a second phase through March 31, 2016.
2. Mid America Regional Council (MARC) received a US Department of Energy Rooftop Solar Challenge II grant; \$75,000 is being passed through to OKI for professional services to be provided during phase I. An additional \$15,000 was added during fiscal 2015 for professional services during phase II. An additional \$1,402 was added during fiscal 2016 for professional services during phase II.
3. During phase I OKI is providing \$27,500 in match. During phase II OKI is providing an additional \$12,500 in match for a total project match of \$40,000. This match is a combination of OKI local funds and contributed services from local project partners.
4. Towards the end of the project, the National Association of Regional Councils (NARC), which was also a project partner, offered supplemental funding for staff time for SM3 survey activities. This offer was approved by MARC the primary grant recipient. OKI received \$1,402 in additional DOE funds through NARC who received the funds from MARC.
5. As of June 30, 2016, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
HHS
FY 2015-2016 AMERICAN PUBLIC HEALTH/APA PLAN4HEALTH
JUNE 30, 2016

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2015</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:				
Federal and state grants				
Federal HHS	\$ 134,999	\$ 12,223	\$ 122,779	\$ 135,002
County matching funds	-	-	2	2
Total Operating Revenues	<u>134,999</u>	<u>12,223</u>	<u>122,781</u>	<u>135,004</u>
Operating Expenses:				
Direct expenses				
Personnel	9,120	2,494	6,867	9,361
Fringe benefits	7,028	1,818	5,350	7,168
Travel, subsistence & professional	2,627	891	84	975
Printing, marketing & contractual	104,529	3,833	102,279	106,112
Other direct expenses	600	-	22	22
Indirect costs	<u>11,095</u>	<u>3,187</u>	<u>8,179</u>	<u>11,366</u>
Total Operating Expenses	<u>134,999</u>	<u>12,223</u>	<u>122,781</u>	<u>135,004</u>
Tasks:				
Plan4Health	<u>134,999</u>	<u>12,223</u>	<u>122,781</u>	<u>135,004</u>
Total Tasks	<u>\$ 134,999</u>	<u>\$ 12,223</u>	<u>\$ 122,781</u>	<u>\$ 135,004</u>

NOTES:

1. The project period for American Planning Association Kenton County Plan4Health project is February 1, 2015 through April 30, 2016.
2. The American Planning Association in partnership with the American Public Health Association received grant funds through the Centers for Disease Control and Prevention as part of the National Dissemination and Implementation program within the Division of Community Health, Funding Opportunity Announcement #DP14-1418; \$135,000 is being passed through to OKI for Plan4Health coalition activities in Kenton County, Kentucky.
3. OKI is partnering with Planning and Development Services of Kenton County, the Northern Kentucky Health Department, and the Center for Great Neighborhoods of Covington, Inc. No match is required for this project.
4. As of June 30, 2016, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OKI
FY 2016 LOCAL WATER QUALITY PLANNING PROJECT
JUNE 30, 2016

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:			
County matching funds	\$ 59,162	\$ 67,921	\$ 67,921
Total Operating Revenues	<u>59,162</u>	<u>67,921</u>	<u>67,921</u>
Operating Expenses:			
Direct expenses			
Personnel	18,016	19,969	19,969
Fringe benefits	14,036	14,438	14,438
Travel, subsistence & professional	4,964	1,510	1,510
Other direct expenses	685	7,507	7,507
Indirect costs	<u>21,461</u>	<u>24,497</u>	<u>24,497</u>
Total Operating Expenses	<u>59,162</u>	<u>67,921</u>	<u>67,921</u>
Tasks:			
Local water quality planning	<u>59,162</u>	<u>67,921</u>	<u>67,921</u>
Total Tasks	<u>\$ 59,162</u>	<u>\$ 67,921</u>	<u>\$ 67,921</u>

NOTES:

1. The project period for Local Water Quality Planning was July 1, 2015 through June 30, 2016.
2. Budget amounts were derived from fiscal 2016 overall agency budget.
3. As of June 30, 2016, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OKI
FY 2016 LOCAL REGIONAL PLANNING
JUNE 30, 2016

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:			
County matching funds	\$ 63,630	\$ 34,934	\$ 34,934
Total Operating Revenues	<u>63,630</u>	<u>34,934</u>	<u>34,934</u>
Operating Expenses:			
Direct expenses			
Personnel	21,085	11,236	11,236
Fringe benefits	16,427	8,124	8,124
Travel, subsistence & professional	325	158	158
Other direct expenses	677	1,632	1,632
Indirect costs	<u>25,116</u>	<u>13,784</u>	<u>13,784</u>
Total Operating Expenses	<u>63,630</u>	<u>34,934</u>	<u>34,934</u>
Tasks:			
Local regional planning	<u>63,630</u>	<u>34,934</u>	<u>34,934</u>
Total Tasks	<u>\$ 63,630</u>	<u>\$ 34,934</u>	<u>\$ 34,934</u>

NOTES:

1. The project period for Local Regional Planning program was July 1, 2015 through June 30, 2016.
2. Budget amounts were derived from fiscal 2016 overall agency budget.
3. As of June 30, 2016, no costs subject to audit have been questioned.

SCHEDULES OF CUMULATIVE REVENUES AND EXPENDITURES

PROGRAMS IN PROGRESS

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FTA TRANSIT PROGRAMS:

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

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (MPO-PL Funds)	\$ 2,194,098	\$ 1,785,879	\$ 1,785,879
Kentucky: KYTC (HPR-PL Funds)	458,400	335,122	335,122
Kentucky: KYTC (FTA Funds)	138,844	101,503	101,503
Indiana: INDOT (Trans PL Funds)	25,000	24,743	24,743
State matching funds Ohio	274,262	223,235	223,235
State matching funds Kentucky	28,650	20,945	20,945
County matching funds	401,171	316,532	316,532
Local contracts	<u>85,000</u>	<u>63,454</u>	<u>63,454</u>
Total Operating Revenues	<u>3,605,425</u>	<u>2,871,413</u>	<u>2,871,413</u>
Operating Expenses:			
Direct expenses			
Personnel	1,037,788	875,930	875,930
Fringe benefits	808,540	619,175	619,175
Travel, subsistence & professional	67,406	44,099	44,099
Printing, marketing & contractual	382,500	214,200	214,200
Other direct expenses	72,978	34,431	34,431
Indirect costs	<u>1,236,213</u>	<u>1,083,578</u>	<u>1,083,578</u>
Total Operating Expenses	<u>3,605,425</u>	<u>2,871,413</u>	<u>2,871,413</u>
Tasks:			
Short range planning	78,525	61,577	61,577
Transportation improvement program	126,000	107,262	107,262
Surveillance	1,575,800	1,316,622	1,316,622
Homeland security data project (100%)	85,000	62,353	62,353
Long range planning	1,134,668	876,519	876,519
Public involvement	310,150	262,441	262,441
INDOT exclusive	31,250	30,929	30,929
KYTC exclusive	165,282	72,657	72,657
UPWP administration	15,750	12,989	12,989
Transportation program reporting	9,400	8,587	8,587
Mobile source emissions planning	<u>73,600</u>	<u>59,477</u>	<u>59,477</u>
Total Tasks	<u>\$ 3,605,425</u>	<u>\$ 2,871,413</u>	<u>\$ 2,871,413</u>

NOTES:

- The grant period for FY 2016 Transportation Planning is July 1, 2015 through December 31, 2016.
- FHWA/ODOT/KYTC funds are received under agreements for continuation of a transportation planning process with ODOT and KYTC. Revenues were received and expenditures incurred in accordance with a unified planning work program approved each fiscal year. INDOT also participated with the funding being 80 percent Federal and 20 percent local match.
- The Hamilton County Emergency Management Agency engaged OKI to develop data sets for the exclusive use of HCEMA. This activity was funded at 100%.
- 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 FY15 carryover revenues and appear on the FY2015 Transportation PL page. Total KY PL for FY2016 was \$110,331.72 + \$335,121.90 = \$445,453.62. Total KY FTA for FY2016 was \$33,417.00 + \$101,503.00 = \$134,920.00. Total KY State for FY2016 was \$6,895.79 + \$20,945.21 = \$27,841.00. All within budget.
- As of June 30, 2016, no costs subject to audit have been questioned.

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

**FY 2016 REGIONAL TRANSPORTATION PLANNING ORGANIZATION PILOT PROGRAM
JUNE 30, 2016**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (SPR)	\$ 40,000	\$ 321	\$ 321
State matching funds Ohio	10,000	80	80
	<u>50,000</u>	<u>401</u>	<u>401</u>
Total Operating Revenues			
Operating Expenses:			
Direct expenses			
Personnel	16,699	136	136
Fringe benefits	13,010	98	98
Travel, subsistence & professional	400	-	-
Indirect costs	19,891	167	167
	<u>50,000</u>	<u>401</u>	<u>401</u>
Total Operating Expenses			
Tasks:			
RTPO mentoring pilot program	50,000	401	401
	<u>50,000</u>	<u>401</u>	<u>401</u>
Total Tasks			
	<u>\$ 50,000</u>	<u>\$ 401</u>	<u>\$ 401</u>

NOTES:

1. The grant period for the Regional Transportation Planning Organization Pilot Program is July 1, 2015 through June 30, 2017.
2. ODOT State Planning and Research funds were received under an agreement to participate in the Regional Transportation Planning Organization Mentoring Pilot Program. OKI is mentoring the Ohio Valley Regional Development Commission.
3. This project is funded with 80% Ohio SPR funds matched with 20% state funds from ODOT.
4. As of June 30, 2016, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FTA
FY 2012 JOB ACCESS REVERSE COMMUTE ADMINISTRATION PROGRAM
JUNE 30, 2016

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2015</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 148,335	\$ 12,984	\$ 60,870	\$ 73,854
Total Operating Revenues	<u>148,335</u>	<u>12,984</u>	<u>60,870</u>	<u>73,854</u>
Operating Expenses:				
Direct expenses				
Personnel	50,039	4,399	20,229	24,628
Fringe benefits	35,417	3,036	14,373	17,409
Travel, subsistence & professional	-	-	4	4
Other direct expenses	-	-	1,287	1,287
Indirect costs	<u>62,879</u>	<u>5,549</u>	<u>24,977</u>	<u>30,526</u>
Total Operating Expenses	<u>148,335</u>	<u>12,984</u>	<u>60,870</u>	<u>73,854</u>
Tasks:				
Job Access Reverse Commute	<u>148,335</u>	<u>12,984</u>	<u>60,870</u>	<u>73,854</u>
Total Tasks	<u>\$ 148,335</u>	<u>\$ 12,984</u>	<u>\$ 60,870</u>	<u>\$ 73,854</u>

NOTES:

1. The Job Access Reverse Commute administration grant began October 31, 2013.
2. The Job Access Reverse Commute grant is 100% federally funded. Funds are used for administration of the Coordinated Public Transit Human Services Transportation Plan for the OKI region.
3. As of June 30, 2016, 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, 2016

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2015</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 50,035	\$ 6,172	\$ 22,499	\$ 28,671
Total Operating Revenues	<u>50,035</u>	<u>6,172</u>	<u>22,499</u>	<u>28,671</u>
Operating Expenses:				
Direct expenses				
Personnel	16,538	2,053	7,581	9,634
Fringe benefits	12,418	1,496	5,475	6,971
Other direct expenses	-	-	138	138
Indirect costs	<u>21,079</u>	<u>2,623</u>	<u>9,305</u>	<u>11,928</u>
Total Operating Expenses	<u>50,035</u>	<u>6,172</u>	<u>22,499</u>	<u>28,671</u>
Tasks:				
New Freedom Administration	<u>50,035</u>	<u>6,172</u>	<u>22,499</u>	<u>28,671</u>
Total Tasks	<u>\$ 50,035</u>	<u>\$ 6,172</u>	<u>\$ 22,499</u>	<u>\$ 28,671</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, 2016 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, 2016

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2015</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 385,212	\$ 325,645	\$ 13,088	\$ 338,733
Contributed services	<u>385,212</u>	<u>392,768</u>	<u>13,088</u>	<u>405,856</u>
Total Operating Revenues	<u>770,424</u>	<u>718,413</u>	<u>26,176</u>	<u>744,589</u>
Operating Expenses:				
Direct expenses				
Printing, marketing & contractual	385,212	325,645	13,088	338,733
Contributed services	<u>385,212</u>	<u>392,768</u>	<u>13,088</u>	<u>405,856</u>
Total Operating Expenses	<u>770,424</u>	<u>718,413</u>	<u>26,176</u>	<u>744,589</u>
Tasks:				
Towne Taxi	130,212	11,658	26,176	37,834
Senior Services of Northern Kentucky	210,000	210,000	-	210,000
Wesley Community Services	300,000	367,123	-	367,123
Community Cab	<u>130,212</u>	<u>129,632</u>	<u>-</u>	<u>129,632</u>
Total Tasks	<u>\$ 770,424</u>	<u>\$ 718,413</u>	<u>\$ 26,176</u>	<u>\$ 744,589</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, 2016, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FTA
FY 2015 FTA 5310 TRANSIT PLANNING PROGRAM
JUNE 30, 2016

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2015</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 271,671	\$ 2,729	\$ 26,094	\$ 28,823
Total Operating Revenues	<u>271,671</u>	<u>2,729</u>	<u>26,094</u>	<u>28,823</u>
Operating Expenses:				
Direct expenses				
Personnel	44,405	-	4,455	4,455
Fringe benefits	33,344	-	3,221	3,221
Travel, subsistence & professional	215	-	62	62
Printing, marketing & contractual	135,835	2,729	12,779	15,508
Other direct expenses	1,274	-	112	112
Indirect costs	<u>56,598</u>	<u>-</u>	<u>5,465</u>	<u>5,465</u>
Total Operating Expenses	<u>271,671</u>	<u>2,729</u>	<u>26,094</u>	<u>28,823</u>
Tasks:				
FTA - 5310 transit planning activities	<u>271,671</u>	<u>2,729</u>	<u>26,094</u>	<u>28,823</u>
Total Tasks	<u>\$ 271,671</u>	<u>\$ 2,729</u>	<u>\$ 26,094</u>	<u>\$ 28,823</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, 2016, no costs subject to audit have been questioned.

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

DOA

**FY 2016 INTEGRATING TREES INTO STORMWATER MANAGEMENT DESIGN AND
POLICY**

JUNE 30, 2016

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2016</u>
Operating Revenues:			
Federal and state grants			
Federal DOA	\$ 196,270	\$ 64,862	\$ 64,862
County matching funds	80,030	16,720	16,720
Contributed services	<u>116,240</u>	<u>34,318</u>	<u>34,318</u>
 Total Operating Revenues	 <u>392,540</u>	 <u>115,900</u>	 <u>115,900</u>
Operating Expenses:			
Direct expenses			
Personnel	48,988	12,166	12,166
Fringe benefits	38,556	8,796	8,796
Travel, subsistence & professional	11,000	199	199
Printing, marketing & contractual	119,240	44,815	44,815
Other direct expenses	-	682	682
Indirect costs	58,516	14,924	14,924
Contributed services	<u>116,240</u>	<u>34,318</u>	<u>34,318</u>
 Total Operating Expenses	 <u>392,540</u>	 <u>115,900</u>	 <u>115,900</u>
Tasks:			
National Urban and Community Forestry	<u>392,540</u>	<u>115,900</u>	<u>115,900</u>
 Total Tasks	 <u>\$ 392,540</u>	 <u>\$ 115,900</u>	 <u>\$ 115,900</u>

NOTES:

1. The project period for the Integrating Trees into Stormwater Management Design and Policy is July 1, 2015 through June 30, 2017.
2. OKI received grant funds through the US Department of Agriculture, Forest Service as part of the Urban & Community Forestry program; \$196,270 was awarded to OKI to partner with local, regional, and national experts to develop A Guide for Local Decision Makers.
3. As of June 30, 2016, 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, 2016**

Federal Grantor/ Pass-through Grantor/ Program/Cluster Title	Federal CFDA Number	Direct Grant or Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U. S. Department of Agriculture</u>				
<i>Direct Programs</i>				
Urban and Community Forestry Program	10.675			
Integrating Trees Into Stormwater Management Design		15-DG-11132544-036	\$ 44,815	\$ 64,862
Total CFDA 10.675			44,815	64,862
Total U. S. Department of Agriculture			44,815	64,862
<u>U. S. Department of Transportation</u>				
<i>Federal Transit Administration - Transit Services Programs Cluster</i>				
<i>Direct Programs</i>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513			
FTA 5310 Transit Planning		OH-16-X012-00	-	26,094
Total CFDA 20.513			-	26,094
Job Access and Reverse Commute Program	20.516			
Job Access and Reverse Commute Administration		OH-37-X067-00	-	13,428
Job Access and Reverse Commute Administration		OH-37-X088-00	-	60,870
Total CFDA 20.516			-	74,298
New Freedom Program	20.521			
New Freedom Administration		OH-57-X049-00	-	328
New Freedom Pass -Through		OH-57-X061-00	-	13,088
New Freedom Administration		OH-57-X064-00	-	22,499
Total CFDA 20.521			-	35,915
Total Direct Programs - U.S. Department of Transportation			-	136,307
<i>Federal Highway Administration - Highway Planning and Construction Cluster</i>				
<i>Programs Passed Through Ohio Department of Transportation (ODOT)</i>				
Highway Planning and Construction	20.205			
Clean Air - Ozone Awareness (CMAQ funds)		728640	-	180,019
Ride Share (CMAQ funds)		728641	-	160,539
Transportation Planning (MPO-PL funds)		728648	-	1,785,879
Transportation Planning (MPO-PL funds)		727046	-	678,250
Regional Transportation Planning (SPR funds)		728673	-	321
Surface Transportation (STP funds)		728638	-	290,787
Surface Transportation (STP funds)		728639	-	33,531
Total CFDA 20.205 (passed through ODOT)			-	3,129,326
<i>Programs Passed Through Kentucky Transportation Cabinet (KYTC)</i>				
Highway Planning and Construction	20.205			
Transportation Planning (HPR-PL funds)		1500000017	-	30,592
Transportation Planning (HPR-PL funds)		1500003923	-	445,454
Ride Share (SNK funds)		1500006245	-	34,025
Clean Air - Ozone Awareness (SNK funds)		1500006245	-	38,153
Surface Transportation (SNK funds)		1500006245	-	56,410
Total CFDA 20.205 (passed through KYTC)			-	604,634
<i>Programs Passed Through Indiana Department of Transportation (INDOT)</i>				
Highway Planning and Construction	20.205			
Transportation Planning (PL funds)		A249-15-150037	-	24,743
Surface Transportation (STP funds)		A249-15-150037	-	141,939
Total CFDA 20.205 (passed through INDOT)			-	166,682
Total CFDA 20.205			-	3,900,642

(continued)

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/ Pass-through Grantor/ Program/Cluster Title	Federal CFDA Number	Direct Grant or Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<i>Federal Transit Administration - Metropolitan Planning</i>				
<i>Programs Passed Through Kentucky Transportation Cabinet (KYTC)</i>				
Metropolitan Transportation Planning	20.505			
Transportation Planning (FTA funds)		G04M603Z	-	134,920
Total CFDA 20.505			<u>-</u>	<u>134,920</u>
Total Passed Through Programs - U.S. Department of Transportation			<u>-</u>	<u>4,035,562</u>
Total U. S. Department of Transportation			<u>-</u>	<u>4,171,869</u>
<u>U. S. Environmental Protection Agency</u>				
<i>Programs Passed Through Ohio Environmental Protection Agency (OEPA)</i>				
Water Quality Management Planning	66.454			
Water Quality Planning (EPA funds)		OKI-FD60414	-	52,224
Total CFDA 66.454			<u>-</u>	<u>52,224</u>
Total U. S. Environmental Protection Agency			<u>-</u>	<u>52,224</u>
<u>U. S. Department of Energy</u>				
<i>Programs Passed Through Mid America Regional Council (MARC)</i>				
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117			
Rooftop Solar Challenge II (DOE funds)		DE-EE0006310	-	9,701
Total CFDA 81.117			<u>-</u>	<u>9,701</u>
Total U. S. Department of Energy			<u>-</u>	<u>9,701</u>
<u>U. S. Department of Health and Human Services</u>				
<i>Programs Passed Through Kentucky American Planning Association (APA)</i>				
National Implementation and Dissemination for Chronic Disease Prevention	93.328			
APA Plan4Health (HHS funds)		DP14-1418	102,279	122,779
Total CFDA 93.328			<u>102,279</u>	<u>122,779</u>
Total U. S. Health and Human Services			<u>102,279</u>	<u>122,779</u>
Total			<u>\$ 147,094</u>	<u>\$ 4,421,435</u>

See accompanying notes to schedule

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2016

Note A – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) under programs of the federal government for the year ended June 30, 2016. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of OKI, it is not intended to and does not present the financial position, changes in net position, or cash flows of OKI.

Note B – Summary of Significant Accounting Policies

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

Note C - Subrecipients

OKI passes certain federal awards received from the U. S. Department of Agriculture and funds passed through from the Kentucky American Planning Association to other governments or not-for-profit agencies (subrecipients). As Note B describes, OKI reports expenditures of Federal awards to subrecipients on an accrual basis.

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

Note D – Matching Requirements

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

Note E – Other

Within CFDA 81.117, the National Association of Regional Councils (NARC) provided supplemental funding of \$1,402 to OKI for staff time for SM3 survey activities. This funding was part of an award NARC had received from the Mid America Regional Council (MARC), and the transfer to OKI was approved by MARC. The expenditures are reported as part of the \$9,701 shown as being passed through MARC.

Bastin & Company, LLC

Certified Public Accountants

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

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

To the Executive Committee:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise OKI's basic financial statements and have issued our report thereon dated December 6, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Cincinnati, Ohio
December 6, 2016

Bastin & Company, LLC
Certified Public Accountants

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

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

To the Executive Committee:

Report on Compliance for Each Major Federal Program

We have audited the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect each of OKI's major federal programs for the year ended June 30, 2016. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies OKI's major federal programs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to opine on OKI's compliance for each of OKI's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about OKI's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on each of OKI's major programs. 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 compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

OKI's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered OKI's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of OKI's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program's applicable compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with federal program's applicable compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink and is positioned above the typed name and date.

Cincinnati, Ohio
December 6, 2016

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2016**

SUMMARY OF AUDITOR'S RESULTS

Type of financial statement opinion	Unmodified
Were there any material control weaknesses reported at the financial statement level?	No
Were there any other significant deficiencies in internal control reported at the financial statement level?	No
Was there any reported material noncompliance reported at the financial statement level?	No
Were there any material internal control weaknesses reported for major federal programs?	No
Were there any other significant deficiencies in internal control reported for major federal programs?	No
Type of major programs' compliance opinion	Unmodified
Are there any reportable findings?	No
Major programs:	Federal Highway Administration, Highway Planning and Construction Cluster - CFDA 20.205 U.S. Environmental Protection Agency-Water Quality Management Planning - CFDA 66.454
Dollar threshold to distinguish between Type A/B programs	Type A: >\$750,000 Type B: all others
Low risk auditee?	Yes

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

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None



Dave Yost • Auditor of State

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
FEBRUARY 23, 2017**