

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

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

FOR THE YEAR ENDED JUNE 30, 2010 AND 2009



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditors' Report* of the Ohio-Kentucky-Indiana Regional Council of Governments, Hamilton County, prepared by Bastin & Company, LLC, for the audit period July 1, 2009 through June 30, 2010. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

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Dave Yost
Auditor of State

March 1, 2011

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OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS

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ACRONYMS

ARRA	American Reinvestment and Recovery Act
CMAQ	Congestion Mitigation and Air Quality
FHWA	Federal Highway Administration
FIAM	Fiscal Impact Analysis Model
FTA	Federal Transit Authority
GIS	Geographic Information System
IDEM	Indiana Department of Environmental Management
INDOT	Indiana Department of Transportation
JARC	Job Access Reserve Commute
KYTC	Kentucky Transportation Cabinet
MIS	Major Investment Study
NF	New Freedom
ODOT	Ohio Department of Transportation
OEPA	Ohio Environmental Protection Agency
OKI	Ohio-Kentucky-Indiana Regional Council of Governments
SAFETEA-LU	Safe, Accountable, Flexible and Efficient Transportation Equity Act: A legacy for Users
SNK	Surface Transportation Planning (Northern Kentucky)
STP	Surface Transportation Planning (Ohio)
TCSP	Transportation Community System Preservation
UPWP	Unified Planning Work Program

Bastin & Company, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

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, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of OKI's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ohio-Kentucky-Indiana Regional Council of Governments, as of June 30, 2010 and 2009, and changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2010, on our consideration of OKI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements of OKI's basic financial statements as a whole. The accompanying supplemental schedules 1-3 and schedules of cumulative revenues and expenditures for completed programs and programs in progress, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The supplemental schedules 1-3, schedules of cumulative revenues and expenditures for completed programs and programs in progress and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Cincinnati, Ohio
November 18, 2010

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2010
(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, 2010. Please read it in conjunction with OKI's financial statements, which follow this section.

OVERVIEW OF OKI

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 46 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.

Together, OKI works 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 transportation in the region. Each year, OKI approves roughly \$40 million in funding for projects in the region.

PROGRAMS AND ACTIVITIES

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

Since federal transportation investments stimulate land use change, OKI developed a Fiscal Impact Analysis Model to give local governments a way to determine costs and benefits by analyzing the budgetary impacts of alternative land use scenarios.

OKI's Water Quality planning program involves work that enables wastewater treatment projects to obtain permits and promotes practices to reduce storm water runoff and restore streams.

OKI's Clean Air Program is leading the fight for cleaner air in the region by bringing ozone and particulate matter pollution issues to the forefront of people's minds.

PROJECTS

Brent Spence Bridge Cooperative: OKI is working closely with local officials, the business community, the Kentucky Transportation Cabinet and Ohio Department of Transportation to develop strategies for the replacement of this vital river crossing.

Freight: The movement of freight dominates the region's roadways both now and in the future. OKI is leading the initiative to address the growing amount of freight on the highways and working to move it from the roads onto rails and the river.

RideShare: OKI's RideShare program enables commuters to save time and money through carpools and vanpools. Major employers in the region contact OKI to find out how RideShare can work for them.

I-471 Corridor Study: The multimodal recommendations from this study support the quality of life and land use visions of Campbell County along this booming corridor in Northern Kentucky. Roadway,

intelligent transportation systems and transit improvements, along with improvements to I-471/I-275 with a new full access interchange south of Three Mile Road, are all key recommendations from the study.

Homeland Security: OKI is partnering with local emergency responders to develop a database of critical infrastructure. In the event of a disaster, this database can be used to create a common operating picture for emergency personnel throughout the region.

Geographic Information System (GIS): OKI's GIS department is devising new techniques such as 3D Visualization, traffic simulation and rich internet applications to view proposed projects and assist officials, staff and the public-at-large in making more effective decisions.

Uptown Transportation Study: OKI led the first phase of this transportation study which investigated improvement to, from and within the Uptown area. The recommendations of the study will help unleash over \$1 billion in new development for this area, the region's 2nd largest economic employer. Developing and evaluating a preferred alternative which will improve access to and from Interstate 71 and the Uptown area is the primary objective of the next phase of study.

2030 Regional Transportation Plan: This plan serves as a blueprint for transportation projects in the OKI region through the year 2030. It addresses current and future needs created by growth and development. At the same time, it responds to Federal Highway Administration and Clean Air Act requirements to mitigate congestion and address air quality and other environmental, social and financial issues. OKI's Title VI and Environmental Justice program ensures the inclusion of minority, low income, disabled, elderly and zero-car households in its transportation planning process.

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

FINANCIAL HIGHLIGHTS

During fiscal year 2010:

- OKI continued executing partnership agreements with advertising outlets to provide value added services as match for the Ozone and RideShare programs. The value of these services was used as match for the Kentucky share of these programs. OKI plans to further develop these partnerships in anticipation of the additional match that will be needed in the future when toll revenue credits are exhausted. During fiscal year 2010 the RideShare program received \$253,726 in contributed services and the Ozone program received \$269,570 in contributed services.
- OKI continued its partnership with eleven cities, counties, and organizations within the region to implement the recently developed Fiscal Impact Analysis Model. These entities provided \$55,000 in local match for model activities. The initial implementation phase will continue over the next year and OKI will follow up with communities that have expressed an interest in becoming new partners.
- Total assets exceed liabilities as of June 30, 2010 by \$1,220,568, an increase of \$87,097 from June 30, 2009.
- OKI had operating revenues of \$5,016,678 and operating expenses of \$4,929,581, resulting in an operating income of \$87,097.
- Contributed services in excess of match required by programs and grants totaled \$491,859.

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 Assets
Statement of Revenues, Expenses and Changes in Net Assets
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 Assets and the Statement of Revenues, Expenses and Changes in Net Assets

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 the net assets increased by \$87,097, the answer is yes. The question we hope that we are answering is, "Where is OKI going and are we headed in the right direction?"

The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets report information about OKI as a whole and about its activities in a way that helps answer those two questions. 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. Accrual 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 assets and changes in them. One can think of the OKI's net assets, the difference between assets (what OKI owns) and liabilities (what OKI owes) as one way to measure OKI financial health, or financial position. Over time, increases or decreases in OKI's net assets are one indicator of whether its financial health is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Assets 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 assets.

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 11 through 13 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 on pages 14-20 of this report.

FINANCIAL ANALYSIS OF OKI

STATEMENT OF NET ASSETS

The following table represents condensed statements of net assets.

Statement of Net Assets (\$ in Thousands)

	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
Current assets	\$ 1,783	\$ 1,957	\$ 1,862
Capital assets, net	<u>99</u>	<u>84</u>	<u>86</u>
Total assets	<u>1,882</u>	<u>2,041</u>	<u>1,948</u>
Current liabilities	542	795	806
Non-current liabilities	<u>119</u>	<u>112</u>	<u>75</u>
Total liabilities	<u>661</u>	<u>907</u>	<u>881</u>
Net assets:			
Invested in capital assets, net of debt	73	50	82
Unrestricted	<u>1,148</u>	<u>1,084</u>	<u>985</u>
Total net assets	<u>\$ 1,221</u>	<u>\$ 1,134</u>	<u>\$ 1,067</u>

Current assets decreased by \$174k, or 8.9%, in 2010 due to decreased receivables associated with lower year-end fringe and indirect cost adjustments and completion of the Fiscal Impact Analysis Model (FIAM) Development, Travel Model Data Collection, and GPS Travel Survey projects, offset by an increase in cash and investments due to decreased project activity. In 2009 current assets increased by \$95k, or 5.1%, due to higher receivables associated with activity in the Fiscal Impact Analysis Model (FIAM) Development, Travel Model Data Collection, and GPS Travel Survey projects, and a decrease in cash and investments due to increased project activity.

Capital assets increased by \$15k, or 17.9%, in 2010 due to the purchase of a new server, backup tape storage library, and network switches offset by annual depreciation. In 2009 capital assets decreased by \$2k, or 2.3%, due to the addition of leased office furniture net of depreciation and the disposition of obsolete computers and equipment.

Current liabilities decreased by \$253k, or 31.8%, in 2010 due to a decrease in the level of open payables related to timing of Ozone advertising invoices and completion of the Travel Model Data Collection and FIAM Development projects; and a decrease in deferred revenues related to the timing of county funding payments. In 2009 current liabilities decreased by \$11k, or 1.4%, due to an increase in the level of open payables associated with the Travel Model Data Collection and FIAM Development projects; a decrease in accrued payroll associated with timing; a decrease in short-term leave liabilities due to staffing changes offset by increases in salaries; and an increase in deferred revenues due to a county funding payment received a month early.

Non-current liabilities increased by \$7k, or 6.3%, in 2010 due to increased compensated absences liability associated with rising leave balances and on average lower leave usage offset by decreased capital lease balances due to payments made during the year. In 2009 non-current liabilities increased by \$37k, or 49.3%, due to an increase in capital leases associated with furniture acquisition at the end of the

second five years of the Sawyer Point office lease, and an increase in long-term leave liabilities due to increases in salaries.

Unrestricted net assets – the part of net assets that can be used to finance day-to-day operations without constraints or legal requirements – increased by \$64k, or 5.9%, in 2010 due to effective management of general and administrative activities combined with timing of active projects. In 2009 unrestricted net assets increased by \$99k, or 10.1%, due to effective management of general and administrative activities combined with timing of current projects.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

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

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

Operating revenues	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
Federal and state	\$ 3,839	\$ 4,811	\$ 4,848
State, local and county matching	1,011	986	710
Other revenue	32	40	52
Contributed services	<u>135</u>	<u>712</u>	<u>88</u>
Total operating revenue	<u>5,017</u>	<u>6,549</u>	<u>5,698</u>
Operating expenses			
Salaries and wages	2,316	2,280	2,354
Fringe benefits	915	853	706
Travel, subsistence and professional development	116	116	101
Printing, marketing and contractual	707	1,764	1,489
Depreciation	33	40	38
Other expenses	708	717	760
Contributed services	<u>135</u>	<u>712</u>	<u>88</u>
Total operating expenses	<u>4,930</u>	<u>6,482</u>	<u>5,536</u>
Operating income	<u>87</u>	<u>67</u>	<u>162</u>
Non-operating revenues (expenses)			
Contributed services	492	1,486	1,701
Contributed marketing	<u>(492)</u>	<u>(1,486)</u>	<u>(1,701)</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net assets	87	67	162
Net assets, beginning of year	<u>1,134</u>	<u>1,067</u>	<u>905</u>
Net assets, end of year	<u>\$ 1,221</u>	<u>\$ 1,134</u>	<u>\$ 1,067</u>

Operating revenues decreased by 23.4% from 2009 to 2010 due to completion of the Millcreek, GPS Travel Survey, Travel Model Data Collection and FIAM Development projects. Federal and state revenues, coupled with state, local and county matching funds, decreased by 16.3% due to a reduction in marketing activities in the Rideshare and Ozone projects along with completion of the Millcreek, GPS Travel Survey, Travel Model Data Collection and FIAM Development projects. Other revenues decreased by 20.0% due to lower interest rates and decreased annual meeting participation. Total contributed services revenue decreased by 71.5% due to completion of the Millcreek and St. Clair projects and due to decreased activities in the New Freedom pass through projects. Operating revenues increased by 14.9% from 2008 to 2009 due to increased project activities associated with the FIAM Development and GPS Travel Survey projects. Federal and state revenues, coupled with state, local and county matching funds, increased by 4.3% due to the addition of the GPS Travel Survey project and increased activities in the

FIAM Development project. Other revenues decreased by 23.1% due to declining interest rates. Total contributed services revenue increased by 22.9% due to increased activities associated with the Mill Creek project and addition of the New Freedom Pass-Through projects.

Operating expenses decreased by 24.0% from 2009 to 2010. Printing, marketing and contractual decreased 59.9% due to completion of the Millcreek, FIAM development, GPS Travel and Travel Model Data Collection projects and a decrease in marketing activities associated with the Ozone and Rideshare programs. Depreciation decreased by 17.5% due to conference room equipment being fully depreciated at the end of FY2009, offset by an increase in depreciation on micro computers related to upgrades to OKI's network equipment. New switches, storage, and backup devices were purchased. Total contributed services decreased by 71.5% due to completion of the Millcreek project and due to a decrease in activities associated with the New Freedom pass through projects. Operating expenses increased by 17.1% from 2008 to 2009 due to increased project activities and increases in employee benefits. Fringe benefits increased 20.8% due to increases in group health costs and changes in the retirement benefits of staff. In January 2009, the OKI employer 401(a) contribution rate increased from 6.9% to 10.0% and an optional 403(b) benefit was added with employer contributions of up to 4.0% depending on employee contributions. Printing, marketing and contractual increased 18.5% due to increased consultant activities related to the FIAM Development, Travel Model Data Collection, and GPS Travel Survey activities and increased professional services activities associated with the Mill Creek project, offset by a decrease in marketing activities associated with the Ozone program. Total contributed services expense increased by 22.9% due to increased activities associated with the Mill Creek project and addition of the New Freedom Pass-Through projects.

Contributed services in excess of required match decreased by 66.9% from 2009 to 2010 due to a decrease in contributed services received by the Ozone and RideShare programs. Contributed services in excess of required match decreased by 12.6% from 2008 to 2009 due to a decrease in contributed services received by the RideShare 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	\$ 3,839	\$ 4,902	\$(1,063)
State, local and county matching	1,011	740	271
Other revenue	32	45	(13)
Contributed services	<u>135</u>	<u>469</u>	<u>(334)</u>
Total operating revenue	<u>5,017</u>	<u>6,156</u>	<u>(1,139)</u>
Operating expenses			
Salaries and wages	2,316	2,324	(8)
Fringe benefits	915	1,034	(119)
Travel, subsistence and professional development	116	157	(41)
Printing, marketing and contractual	707	1,296	(589)
Other expenses	741	785	(44)
Contributed services	<u>135</u>	<u>469</u>	<u>(334)</u>
Total expenses	<u>4,930</u>	<u>6,065</u>	<u>(1,135)</u>

Non-operating revenues (expenses)			
Contributed services	492	-	492
Contributed marketing	<u>(492)</u>	<u>-</u>	<u>(492)</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Increase in net assets	87	91	(4)
Net assets, beginning of year	<u>1,134</u>	<u>1,134</u>	<u>-</u>
Net assets, end of year	<u>\$ 1,221</u>	<u>\$ 1,225</u>	<u>\$ (4)</u>

Operating revenues were lower than budget due to timing of budgeted activities. Federal and state revenues were lower than budgeted due to timing of the GPS Travel study, New Freedom pass through project with the Community Cab, Travel Model Data Collection, Eastern Corridor project, and PL Planning activities combined with decreased activities in the Ozone and Rideshare programs. The New Freedom, Eastern Corridor, and PL activities have shifted to FY11. Contributed services revenues were lower than budgeted due to the timing of the New Freedom pass through project with the Community Cab.

Operating expenses were lower than budget for several reasons. Fringe benefits were lower than budget due to lower than budgeted increase in health care premiums and due to timing of HSA contributions. Travel and professional development expenses were lower than budget due to some scheduled development activities being shifted into next fiscal year and due to executive board travel being closely managed and under budget. Printing, marketing and contractual expenses were lower than budget due to timing of the GPS Travel survey, which concluded in FY2009 rather than continuing into FY2010 as budgeted, and due to timing of the Eastern Corridor and New Freedom Community Cab projects, which continued into FY2011. Contributed services expenses were lower than budgeted due to timing of the Eastern Corridor and New Freedom Community Cab pass through projects.

In fiscal year 2010, OKI was able to stay on budget. Project timing contributed an increase in net assets of \$87,097, which will be used during fiscal 2011 to match projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2010, 2009 and 2008, OKI's capital assets are reflected in the following schedule.

CAPITAL ASSETS (\$ in Thousands)

	<u>FY2010</u>	<u>FY2009</u>	<u>FY2008</u>
Office furniture and equipment	\$ 673	\$ 624	\$ 596
Accumulated depreciation	<u>(574)</u>	<u>(540)</u>	<u>(510)</u>
Total	<u>\$ 99</u>	<u>\$ 84</u>	<u>\$ 86</u>

Capital assets increased during fiscal year 2010 primarily due to improvements to OKI's computer network. A tape storage library, server, and network switches were purchased to replace older equipment and to secure OKI's data.

Capital assets declined during fiscal year 2009 primarily due to depreciation and the disposition of obsolete computers and equipment. These decreases were offset by furniture additions resulting from a capital lease.

Additional information on OKI's capital assets can be found in Note 4.

Debt

The Council continues to maintain an \$850,000 bank line of credit if needed. The line of credit was not used during fiscal 2010.

At the end of fiscal 2010 OKI has a balance of \$1,169 on the capital lease agreement for postage equipment. The lease is for five years, with 19 quarterly payments of \$397 and 1 quarterly payment of \$393 (last payment). There are 3 payments remaining as of June 30, 2010. The lease annual interest rate is 3.715%. Maintenance fees and the postage meter rental are also expensed at \$188 per quarter.

At the end of fiscal 2010 OKI has a balance of \$24,401 on the capital lease agreement for furniture. The five year lease with 60 monthly payments of \$742 began in fiscal 2009. The interest rate on the lease is 6.00%, and the final payment is due on June 1, 2013. Prior to July 1, 2008 the furniture had been part of the office building operating lease.

Additional information on OKI's debt can be found in Note 7.

ECONOMIC CONDITIONS

OKI considered many factors when setting the fiscal year 2010 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 the council's administrative costs based on each county's population at a per capita rate of \$0.33.

The region's population has remained steady in recent years, but there are many developments occurring throughout the counties. Additionally, the region is directly impacted by the Ohio River and the need for transportation services to link the region's counties and the nation. The focal point of that linkage is the Brent Spence Bridge Cooperative; 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.

The federal SAFETEA-LU legislation passed in August 2005 and has been extended via continuing resolution. This legislation reauthorized the funding levels for Metropolitan Planning Organization's and other transportation related organizations at a slightly higher rate than previous bills. However, looking at the anticipated project trends, it is prudent for OKI to develop its operating plan based on level funding.

CONTACTING OKI

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

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF NET ASSETS
JUNE 30, 2010 AND 2009

ASSETS		
	2010	2009
CURRENT ASSETS:		
Cash and cash equivalents	\$ 957,681	\$ 560,800
Accounts receivable	810,350	1,365,399
Prepaid expenses	15,243	30,337
	1,783,274	1,956,536
NONCURRENT ASSETS:		
Capital assets, net	98,690	84,063
	98,690	84,063
	1,881,964	2,040,599
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	124,910	349,929
Accrued expenses	28,424	18,141
Compensated absences	191,922	180,877
Capital lease obligations	8,821	8,716
Deferred revenue	188,205	237,742
	542,282	795,405
NONCURRENT LIABILITIES		
Compensated absences	102,365	86,153
Capital lease obligations	16,749	25,570
	119,114	111,723
	661,396	907,128
NET ASSETS		
Invested in capital assets	73,120	49,777
Unrestricted	1,147,448	1,083,694
	\$ 1,220,568	\$ 1,133,471

See accompanying notes to the financial statements.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES:		
Federal and state grants	\$ 3,838,837	\$ 4,810,492
State, local and county matching funds	1,010,725	986,464
Other revenues	32,116	39,652
Contributed services	<u>135,000</u>	<u>711,983</u>
Total Operating Revenues	<u>5,016,678</u>	<u>6,548,591</u>
OPERATING EXPENSES:		
Direct expenses		
Personnel	1,381,403	1,348,682
Fringe benefits	902,004	816,514
Travel, subsistence and professional	82,374	72,672
Printing, marketing and contractual	658,925	1,715,904
Other direct expenses	56,016	55,847
Indirect costs	1,713,859	1,760,043
Contributed services	<u>135,000</u>	<u>711,983</u>
Total Operating Expenses	<u>4,929,581</u>	<u>6,481,645</u>
OPERATING INCOME	<u>87,097</u>	<u>66,946</u>
NON-OPERATING REVENUES (EXPENSES):		
Contributed services revenues	491,859	1,485,863
Contributed services expenses	<u>(491,859)</u>	<u>(1,485,863)</u>
Total Non-operating Revenues (Expenses)	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	87,097	66,946
Net Assets Beginning of Year	<u>1,133,471</u>	<u>1,066,525</u>
Net Assets End of Year	<u><u>\$ 1,220,568</u></u>	<u><u>\$ 1,133,471</u></u>

See accompanying notes to the financial statements

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Cash flows from operating activities:		
Receipts from federal and state grants	\$ 4,339,767	\$ 4,933,266
Receipts from local grants and matching funds	1,047,274	809,636
Payments to employees	(3,192,318)	(3,232,794)
Payments to suppliers	(1,741,027)	(2,577,278)
Net cash provided by (used for) operating activities	453,696	(67,170)
Cash flows from capital related activities:		
Purchase of fixed assets	(48,099)	-
Capital lease retirements	(8,716)	(8,243)
Net cash provided by (used for) capital financing activities	(56,815)	(8,243)
Net increase (decrease) in cash and cash equivalents	396,881	(75,413)
Cash and cash equivalents at beginning of year	560,800	636,213
Cash and cash equivalents at end of year	\$ 957,681	\$ 560,800
Reconciliation of operating income to net cash used for operating activities:		
Operating income	\$ 87,097	\$ 66,946
Adjustments to reconcile operating income to net cash provided by (used for) operating activities		
Depreciation	33,472	40,031
Changes in assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable	555,049	(153,744)
Prepaid expenses	15,094	(16,187)
Increase (Decrease) in:		
Accounts payable	(225,019)	35,499
Accrued expenses	10,283	(102,723)
Deferred revenue	(49,537)	59,836
Compensated absences	27,257	3,172
Net cash provided by (used for) operating activities	\$ 453,696	\$ (67,170)
Non-cash transactions:		
Capital assets acquired under capital lease	\$ -	\$ 38,397

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, 2010 AND 2009**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Basis of Accounting

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

Enterprise Fund Activity Accounting and Financial Reporting

In accordance with GASB Statement no. 34, basic financial statements and Management's Discussion and Analysis for State and Local Government, OKI applies all GASB pronouncements and only FASB Statements and Interpretations, Accounting Principles Board of Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

Revenue Recognition

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

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

Contributed services, included in local matching funds, are valued at the equivalent OKI hourly pay rate for such services for the amount of hours spent by individuals involved. In-kind contributions are valued at the fair market price on the date of receipt. Such contributed services are accounted for as revenue and as program expenses.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009
(continued)**

Indirect Costs

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

Capital Assets

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

Income Taxes

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

Reclassification

Certain 2009 amounts have been reclassified to conform to 2010 financial statement presentation.

2. DEPOSITS

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

Custodial credit risk is the risk that in the event of a bank failure OKI's deposits may not be returned. Protection of OKI's cash and deposits is provided by the Federal Deposit Insurance Corporation (FDIC) as well as qualified securities pledges by the institutions holding the assets. Ohio law requires that deposits be placed in eligible banks or savings and loan associations located in Ohio. Any public depository in which OKI places deposits must pledge as collateral eligible securities of aggregate market value equal to the excess of deposits not insured by FDIC. The securities pledged as collateral are pledged to a pool for each individual financial institution in amount equal to at least 105 percent of the carrying value of all public deposits held by each institution. Obligations that may be pledged as collateral are limited to obligation of the United States and its agencies and obligations of any state, county, municipal corporation or other legally constituted authority of any state, or any instrumentality of such county, municipal corporation or other authority. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions. At June 30, 2010 the carrying amount of OKI's deposits was \$957,681 and the bank balance was \$957,883. FDIC insurance covered \$75,756 of the bank balance. The remaining balance of \$882,127 was uninsured and collateralized with securities held by the pledging financial institution's trust department.

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

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009
(continued)**

3. ACCOUNTS RECEIVABLE

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

	<u>2010</u>	<u>2009</u>
Receivables Under Contracts and Grants		
Federal	\$ 24,049	\$ 11,724
Ohio	645,152	1,069,750
Kentucky	109,431	258,229
Indiana	21,647	11,043
Local and County	10,018	14,451
Receivables Other		
Due from employees	53	202
Total Receivables	<u>\$ 810,350</u>	<u>\$1,365,399</u>

4. CAPITAL ASSETS

Changes in capital assets for the year that ended June 30, 2010 are summarized below:

<u>Description</u>	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2010</u>
Office furniture and equipment	\$ 624,480	\$ 48,099	-	\$ 672,579
Less: accumulated depreciation	<u>(540,417)</u>	<u>(33,472)</u>	-	<u>(573,889)</u>
Furniture and Equipment net	<u>\$ 84,063</u>	<u>\$ 14,627</u>	<u>\$ -</u>	<u>\$ 98,690</u>

Changes in capital assets for the year that ended June 30, 2009 are summarized below:

<u>Description</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
Office furniture and equipment	\$ 595,532	\$ 38,397	\$(9,449)	\$ 624,480
Less: accumulated depreciation	<u>(509,835)</u>	<u>(40,031)</u>	<u>9,449</u>	<u>(540,417)</u>
Furniture and Equipment net	<u>\$ 85,697</u>	<u>\$ (1,634)</u>	<u>\$ -</u>	<u>\$ 84,063</u>

5. 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, 2010 and 2009, OKI had no borrowings against this line of credit.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009
(continued)**

6. COMPENSATED ABSENCES

Changes in compensated absences for the year that ended June 30, 2010 are summarized below:

Balance July 1, 2009	Entitlements	Usage	Balance June 30, 2010	Due Within One Year
<u>\$267,030</u>	<u>\$365,547</u>	<u>\$(338,290)</u>	<u>\$294,287</u>	<u>\$191,922</u>

Changes in compensated absences for the year that ended June 30, 2009 are summarized below:

Balance July 1, 2008	Entitlements	Usage	Balance June 30, 2009	Due Within One Year
<u>\$263,858</u>	<u>\$316,082</u>	<u>\$(312,910)</u>	<u>\$267,030</u>	<u>\$180,877</u>

7. LEASE COMMITMENTS

Capital Leases

During fiscal year 2006, OKI entered into a capital lease for postage equipment in the amount of \$7,213. Amortization of the remaining lease, including interest, is scheduled as follows:

Year Ending June 30,	Amount
2011	<u>\$1,187</u>
Net minimum lease payments	1,187
Less: amount representing interest	<u>(18)</u>
Present value of net minimum lease payments	<u>\$1,169</u>

OKI exercised a five-year renewal of the lease covering their office facilities commencing on July 1, 2008. A portion of the office facilities lease was for furniture, which under the terms of the lease would become the property of OKI after completion of the 5 year renewal option.

As a result of exercising the lease option, the portion of the office building lease attributable to the value of the furniture is considered a capital lease. Furniture covered under the lease was valued at \$38,397 at July 1, 2008. Lease payments applicable to the furniture portion of the lease are \$742.32 for 60 months and include an interest rate factor of 6.00%. The final payment is due on June 1, 2013.

Future minimum lease payments are as follows:

Year Ending June 30,	Amount
2011	\$ 8,908
2012	8,908
2013	<u>8,904</u>
Net minimum lease payments	26,720
Less: amount representing interest	<u>(2,319)</u>
Present value of net minimum lease payments	<u>\$24,401</u>

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009
(continued)**

Operating Leases

OKI has an operating lease agreement for office facilities. Rental expense was \$487,225 and \$485,630 for the years ended June 30, 2010 and 2009, respectively.

At June 30, 2010, the minimum future rentals under the non-cancelable leases are due as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 487,225
2012	487,225
2013	487,225
	<u>\$1,461,675</u>

8. EMPLOYEE RETIRMENT AND FRINGE BENEFIT PLANS

OKI By-Laws, Article IX – Employee Retirement Plan – Social Security, authorizes the Executive Committee of the Council 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 the Council 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 to serve as the Director or Custodian.

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 of the Council, and two full-time employees of the Council. 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 the Council’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. Merrill Lynch was the custodian and trustee of the 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. In June 2008 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 up to 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. Employees are fully vested upon eligibility for the new plans. For the 401(a), OKI is the Plan Administrator. The corporate trustee is Central Bank & Trust. For the ERISA 403(b), CPI is the Plan Administrator and Matrix Capital Bank & Trust is the custodian. UBS serves as investment advisor and also provides employee education for

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009
(continued)**

both Plans. Pension expense was \$299,001 and \$232,572 for the years ended June 30, 2010 and 2009, respectively. Forfeitures reduce the current contributions of OKI to the plan.

Beginning January 1, 2009, both employee and employer contributions are 100 percent vested at the date of contribution. Prior to January 1, 2009, employer contributions vested as follows:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 1	0%
1	20%
2	40%
3	60%
4	80%
5	100%

9. CONTINGENT LIABILITES

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

10. CONTRIBUTED SERVICES

OKI recognized contributed service revenues in 2010 and 2009. Revenue from services was measured based on the fair value of those services. The following projects received contributed services:

Ozone Awareness and RideShare programs partner with local advertising outlets 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 \$523,296 (\$488,392 in excess of required match) and \$1,514,402 (\$1,481,461 in excess of required match) for the years ended June 30, 2010 and 2009, respectively.

Eastern Corridor Part B – Hamilton County TID provided the contributed services match for this program in the form of local funds paid directly to a consultant. The amount of the contributed services was \$8,917 for the year ended June 30, 2010 and \$9,795 for the year ended June 30, 2009.

EPA 319 Drinking Water and EPA 319 Millcreek programs, active in the year ended June 30, 2009, and Job Access Reverse Commute and New Freedom programs, active in years ended June 30, 2009 and 2010, 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 \$91,179 for the year ended June 30, 2010 and \$666,301 for the year ended June 30, 2009.

For the year ended June 30, 2010, the Dearborn County Water Quality Management Plan Update program received contributed services in the form of partner activities in support of the projects per the grant agreements. The amount of contributed services was \$3,467.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
HAMILTON COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009
(continued)**

For the year ended June 30, 2009, St. Clair Township received contributed services in the form of partner activities in support of the projects per the grant agreements. The amount of contributed services was \$7,348 (\$4,402 in excess of required match).

SUPPLEMENTARY INFORMATION

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF REVENUES AND EXPENSES BY ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2010
 (with comparative summary total for 2009)

	General & Administrative Activities	Environmental Planning Activities	Regional Planning	Ridesharing Implementation	Transportation Planning Activities	Total 2010	Total 2009
Operating Revenues:							
Federal & state grants	\$ -	\$ 176,309	\$ -	\$ 252,386	\$ 3,410,142	\$ 3,838,837	\$ 4,810,492
State, local and county matching funds	158,033	58,672	106,444	4	687,572	1,010,725	986,464
Other revenue	32,116	-	-	-	-	32,116	39,652
Contributed services	-	-	-	14,880	120,120	135,000	711,983
Total Operating Revenues	190,149	234,981	106,444	267,270	4,217,834	5,016,678	6,548,591
Operating Expenses:							
Direct expenses							
Personnel	9,332	79,414	36,553	27,600	1,228,504	1,381,403	1,348,682
Fringe benefits	6,094	51,854	23,868	18,021	802,167	902,004	816,514
Travel, subsistence, and professional	35,464	1,638	135	137	45,000	82,374	72,672
Printing, marketing and contractual	32,470	1,007	-	171,588	453,860	658,925	1,715,904
Other direct expenses	10,371	2,410	478	757	42,000	56,016	55,847
Indirect costs	9,321	98,658	45,410	34,287	1,526,183	1,713,859	1,760,043
Contributed services	-	-	-	14,880	120,120	135,000	711,983
Total Operating Expenses	103,052	234,981	106,444	267,270	4,217,834	4,929,581	6,481,645
Non Operating Revenues (Expenses):							
Contributed services revenues	-	3,467	-	238,846	249,546	491,859	1,485,863
Contributed services expenses	-	(3,467)	-	(238,846)	(249,546)	(491,859)	(1,485,863)
Total Non Operating Revenues (Expenses)	-	-	-	-	-	-	-
Operating Income	\$ 87,097	\$ -	\$ -	\$ -	\$ -	\$ 87,097	\$ 66,946

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF FRINGE BENEFIT COST RATES
FOR THE YEAR ENDED JUNE 30, 2010**

	Budget	Actual
Fringe benefit costs:		
Holidays	\$ 87,758	\$ 85,652
Sick leave	74,427	111,985
Vacation	161,638	165,562
Administrative	11,618	3,470
Performance contingency	16,900	16,900
Retirement	371,088	330,974
Group health	433,457	378,050
FICA	171,568	165,387
Workers compensation	6,100	6,488
Unemployment	3,900	-
Employee Incentives	9,840	8,978
Total fringe benefit costs	\$ 1,348,294	\$ 1,273,446
Allocation base: Direct and indirect personnel	\$ 2,003,849	\$ 1,950,260
Fringe benefit cost rate	<u>67.29%</u>	<u>65.30%</u>

Notes:

1. Approval of the fringe benefit cost rate for the year ended June 30, 2010 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 67.29 percent was authorized by ODOT. The provisional rate is applied each month and adjusted to actual at the end of the year.
3. There were no questioned costs in the fringe benefit cost pool or the direct and indirect personnel allocation base.
4. The provisional rate was utilized during the fiscal year 2010 for grant application purposes. The final 2010 fringe benefit rate was applied for financial statement purposes and for determining the final grant amounts claimed.
5. Expenses in the Statement of Revenues, Expenditures and Change in Net Assets reflect the application of actual rates. Individual program costs presented on pages 24 to 44 reflect the application of provisional rates adjusted to actual, subject to grant/program limitations.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF INDIRECT COST RATES
FOR THE YEAR ENDED JUNE 30, 2010**

	Budget	Actual
Indirect costs:		
Personnel	\$ 560,506	\$ 568,857
Fringe Benefits	377,138	371,442
Auto allowance	6,300	6,300
Travel and professional development	26,002	17,221
Memberships	15,725	15,060
Printing	1,925	397
Repairs and maintenance	16,145	15,433
Office supplies	41,693	32,453
Postage	3,425	2,378
Rent	495,187	488,252
Telephone	9,152	8,432
Subscriptions	765	998
Legal and audit	64,000	58,112
Reproductions	2,892	3,020
Insurance	24,962	25,916
Professional services	41,280	42,150
Advertising	980	-
Depreciation & loss on disposal of assets	26,528	33,472
Payroll processing	5,645	5,716
Internet	12,528	10,830
Retirement plan admin & education fees	3,575	2,925
Other	1,800	2,716
Interest - capital lease	79	1,779
Total indirect costs	\$ 1,738,232	\$ 1,713,859
Allocation base: Direct personnel	\$ 1,443,343	\$ 1,381,403
Indirect cost rate applied	<u>120.43%</u>	<u>124.07%</u>

Notes:

1. Approval of the provisional indirect cost rate for the year ended June 30, 2010 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 120.43 percent was authorized by ODOT. The provisional rate is applied each month and adjusted 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 provisional rate was utilized during fiscal year 2010 for grant application purposes. The final 2010 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 Assets reflect the application of actual rates. Individual program costs presented on pages 24 to 44 reflect the application of provisional rates adjusted to actual, subject to grant/program limitations.

SCHEDULES OF CUMULATIVE REVENUES AND EXPENDITURES

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OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC/INDOT
FY 2009 TRANSPORTATION PLANNING
JUNE 30, 2010

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2009</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (MPO-PL Funds)	\$ 1,976,562	\$ 1,719,515	\$ 257,046	\$ 1,976,561
Kentucky: KYTC (HPR-PL Funds)	518,712	436,353	36,519	472,872
Kentucky: KYTC (FTA Funds)	113,162	83,695	11,060	94,755
Indiana: INDOT (Trans PL Funds)	7,466	7,466	-	7,466
State matching funds Ohio	247,070	214,940	32,131	247,071
State matching funds Kentucky	22,420	17,272	2,282	19,554
County matching funds	384,487	330,292	41,743	372,035
Total Operating Revenues	3,269,879	2,809,533	380,781	3,190,314
Operating Expenses:				
Direct expenses				
Personnel	1,096,369	867,501	130,872	998,373
Fringe benefits	624,713	531,650	88,064	619,714
Travel, subsistence & professional	35,713	21,323	3,813	25,136
Printing, marketing & contractual	247,681	205,125	-	205,125
Other direct expenses	37,688	18,297	422	18,719
Indirect costs	1,227,715	1,165,637	157,610	1,323,247
Total Operating Expenses	3,269,879	2,809,533	380,781	3,190,314
Tasks:				
Short range planning	372,851	328,546	50,618	379,164
Transportation improvement program	138,875	116,322	18,339	134,661
Surveillance	1,256,654	1,092,540	162,783	1,255,323
Long range planning	974,498	846,404	117,279	963,683
UPWP administration	12,149	10,532	2,432	12,964
Public involvement	136,776	120,741	23,929	144,670
FIAM development	43,598	-	-	-
INDOT exclusive	9,333	10,076	-	10,076
KYTC exclusive safety and operating	88,920	52,210	-	52,210
KYTC exclusive GPS travel	200,000	200,000	-	200,000
Air quality program	36,225	32,162	5,401	37,563
Total Tasks	\$ 3,269,879	\$ 2,809,533	\$ 380,781	\$ 3,190,314

NOTES:

1. The grant period for FY 2009 Transportation Planning is July 1, 2008 through September 30, 2009.
2. FHWA/ODOT/KYTC funds are received under agreements for continuation of a transportation planning process with ODOT and KYTC. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year. INDOT also participated with the funding being 80 percent Federal and 20 percent local match.
3. As of June 30, 2010, 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 2009 SURFACE TRANSPORTATION PROGRAM (STP)
JUNE 30, 2010

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2009</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (STP)	\$ 500,000	\$ 407,329	\$ 91,871	\$ 499,200
Kentucky: KYTC (SNK)	46,645	30,036	8,371	38,407
Indiana: INDOT (STP)	16,000	10,783	5,215	15,998
County matching funds	30,169	24,429	1,250	25,679
Local contracts	492	4,379	13,452	17,831
	<u>593,306</u>	<u>476,956</u>	<u>120,159</u>	<u>597,115</u>
Operating Expenses:				
Direct expenses				
Personnel	141,398	102,374	25,498	127,872
Fringe benefits	80,569	62,800	17,157	79,957
Travel, subsistence & professional	10,050	7,303	129	7,432
Printing, marketing & contractual	200,000	163,950	46,650	210,600
Other direct expenses	2,950	2,667	18	2,685
Indirect costs	158,339	137,862	30,707	168,569
	<u>593,306</u>	<u>476,956</u>	<u>120,159</u>	<u>597,115</u>
Tasks:				
Long range planning land use	284,424	289,034	-	289,034
Travel model data collection	200,000	152,550	46,650	199,200
Long range planning FIAM implementation	88,882	21,893	66,990	88,883
INDOT	20,000	13,479	6,519	19,998
	<u>\$ 593,306</u>	<u>\$ 476,956</u>	<u>\$ 120,159</u>	<u>\$ 597,115</u>

NOTES:

1. The grant period for the Surface Transportation Program agreement is July 1, 2008 through October 31, 2009.
2. FHWA/ODOT STP/KYTC SNK funds were received under agreements for specified long range planning activities. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year.
3. This program is funded with Ohio STP funds at a rate of 100 percent. Kentucky SNK funds are 80 percent Federal and 20 percent local match. INDOT also participated with the funding being 80 percent Federal and 20 percent local match.
4. As of June 30, 2010, 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 2008 SURFACE TRANSPORTATION PROGRAM (STP)
JUNE 30, 2010

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2009</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (STP)	\$ 497,062	\$ 486,802	\$ -	\$ 486,802
Kentucky: KYTC (SNK)	44,424	44,542	-	44,542
Indiana: INDOT (STP)	16,000	15,907	83	15,990
County matching funds	13,582	13,587	20	13,607
Local contracts	50,790	48,026	-	48,026
	<u>621,858</u>	<u>608,864</u>	<u>103</u>	<u>608,967</u>
Total Operating Revenues				
Operating Expenses:				
Direct expenses				
Personnel	129,145	128,214	36	128,250
Fringe benefits	71,896	67,328	24	67,352
Travel, subsistence & professional	6,469	4,627	-	4,627
Printing, marketing & contractual	266,951	251,530	-	251,530
Other direct expenses	4,075	1,958	-	1,958
Indirect costs	143,322	155,207	43	155,250
	<u>621,858</u>	<u>608,864</u>	<u>103</u>	<u>608,967</u>
Total Operating Expenses				
Tasks:				
Long range planning land use	355,531	356,474	-	356,474
Long range planning FIAM development (OH)	246,327	240,131	-	240,131
INDOT	20,000	12,259	103	12,362
	<u>\$ 621,858</u>	<u>\$ 608,864</u>	<u>\$ 103</u>	<u>\$ 608,967</u>
Total Tasks				

NOTES:

1. The grant period for the Surface Transportation Program agreement was July 1, 2007 through September 30, 2009.
2. FHWA/ODOT STP/KYTC SNK funds were received under agreements for specified long range planning activities. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year.
3. This program is funded with Ohio STP funds at a rate of 100 percent. Kentucky SNK funds are 80 percent Federal and 20 percent local match. INDOT also participated with STP funding at 80 percent Federal and 20 percent local match.
4. This program was covered by FY08 and FY09 KYTC STP contracts. Actual KYTC revenues were in excess of budgeted revenues, but within contract due to the timing of KYTC contracts.
5. As of June 30, 2010, 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 2009 OZONE AWARENESS
JUNE 30, 2010

	Budget	Cumulative Revenues and Expenditures as of June 30, 2009	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2010
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (CMAQ)	\$ 400,324	\$ 65,490	\$ 334,834	\$ 400,324
Kentucky: KYTC (SNK)	21,445	7,641	19,029	26,670
Kentucky: KYTC (CMAQ)	47,294	4,481	42,957	47,438
County matching funds	-	-	44	44
Contributed services	17,185	3,031	15,494	18,525
Total Operating Revenues	486,248	80,643	412,358	493,001
Operating Expenses:				
Direct expenses				
Personnel	60,414	14,928	42,080	57,008
Fringe benefits	35,693	9,920	27,477	37,397
Travel, subsistence & professional	300	-	-	-
Printing, marketing & contractual	298,000	26,423	273,498	299,921
Other direct expenses	4,500	2,269	1,532	3,801
Indirect costs	70,156	24,072	52,277	76,349
Contributed services	17,185	3,031	15,494	18,525
Total Operating Expenses	486,248	80,643	412,358	493,001
Non-operating Revenues (Expenses):				
Contributed services revenues	-	5,183	215,874	221,057
Contributed services expenses	-	(5,183)	(215,874)	(221,057)
Total Non-operating Revenues (Expenses)	-	-	-	-
Tasks:				
Ozone awareness program	486,248	85,826	628,232	714,058
Total Tasks	\$ 486,248	\$ 85,826	\$ 628,232	\$ 714,058

NOTES:

1. State grants and contracts consist of the following:
 - a. ODOT agreement for July 1, 2008 through June 30, 2011 for \$400,324 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent.
 - b. UPWP KYTC funding beginning July 1, 2008 for \$47,294 in KYTC CMAQ and \$21,445 in KYTC/SNK. Expenses reimbursed to OKI at a participation rate of 15.6189 percent of program from FY08 and FY09 CMAQ funding contracts and FY09 and FY10 SNK funding contracts, matched with contributed services. A minimum 20% match was required and exceeded.
2. As of June 30, 2010, 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 2009 RIDESHARE
JUNE 30, 2010

	Budget	Cumulative Revenues and Expenditures as of June 30, 2009	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2010
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (CMAQ)	\$ 240,001	\$ 149,518	\$ 90,479	\$ 239,997
Kentucky: KYTC (SNK)	44,424	5,641	16,749	22,390
Kentucky: KYTC (CMAQ)	-	22,034	-	22,034
County matching funds	-	-	4	4
Contributed services	11,106	6,919	4,187	11,106
Total Operating Revenues	295,531	184,112	111,419	295,531
Operating Expenses:				
Direct expenses				
Personnel	33,043	12,703	20,011	32,714
Fringe benefits	18,828	8,391	13,465	21,856
Travel, subsistence & professional	300	-	75	75
Printing, marketing & contractual	194,529	135,864	48,949	184,813
Other direct expenses	723	12	633	645
Indirect costs	37,002	20,223	24,099	44,322
Contributed services	11,106	6,919	4,187	11,106
Total Operating Expenses	295,531	184,112	111,419	295,531
Non-operating Revenues (Expenses):				
Contributed services revenues	-	341,071	54,004	395,075
Contributed services expenses	-	(341,071)	(54,004)	(395,075)
Total Non-operating Revenues (Expenses)	-	-	-	-
Tasks:				
Marketing	295,531	525,183	165,423	690,606
Total Tasks	\$ 295,531	\$ 525,183	\$ 165,423	\$ 690,606

NOTES:

1. State grants and contracts consist of the following:
 - a. ODOT agreement for the period July 1, 2008 through December 31, 2010 for \$240,001 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent.
 - b. UPWP KYTC funding beginning July 1, 2008 for \$44,424 in KYTC/SNK reimbursed to OKI at a participation rate of 15.6189 percent of program from FY07 CMAQ and FY09 and FY10 SNK funding agreements and matched with contributed services. A minimum 20% match was required and exceeded.
2. As of June 30, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OEPA
FY 2010 OEPA 604B WATER QUALITY PLANNING
JUNE 30, 2010

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:			
Federal and state grants			
Ohio: OEPA (EPA Funds)	\$ 25,797	\$ 25,723	\$ 25,723
County matching funds	-	1	1
	<u>25,797</u>	<u>25,724</u>	<u>25,724</u>
Operating Expenses:			
Direct expenses			
Personnel	8,796	8,875	8,875
Fringe benefits	5,919	5,795	5,795
Travel, subsistence & professional	88	21	21
Other direct expenses	400	7	7
Indirect costs	<u>10,594</u>	<u>11,026</u>	<u>11,026</u>
	<u>25,797</u>	<u>25,724</u>	<u>25,724</u>
Tasks:			
Program coordination	<u>25,797</u>	<u>25,724</u>	<u>25,724</u>
	<u>\$ 25,797</u>	<u>\$ 25,724</u>	<u>\$ 25,724</u>

NOTES:

1. The grant period under the OEPA FY2010 State 604(b) Water Quality Planning contract is July 1, 2009 through June 30, 2010.
2. As of June 30, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OEPA
FY 2010 OEPA STATE BIENNIUM WATER
JUNE 30, 2010

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:			
Federal and state grants			
Ohio: OEPA (EPA Funds)	\$ 75,000	\$ 74,610	\$ 74,610
Total Operating Revenues	<u>75,000</u>	<u>74,610</u>	<u>74,610</u>
Operating Expenses:			
Direct expenses			
Personnel	25,301	25,580	25,580
Fringe benefits	17,025	16,703	16,703
Travel, subsistence & professional	1,320	21	21
Printing, marketing & contractual	150	-	-
Other direct expenses	734	527	527
Indirect costs	<u>30,470</u>	<u>31,779</u>	<u>31,779</u>
Total Operating Expenses	<u>75,000</u>	<u>74,610</u>	<u>74,610</u>
Tasks:			
General assembly	<u>75,000</u>	<u>74,610</u>	<u>74,610</u>
Total Tasks	<u>\$ 75,000</u>	<u>\$ 74,610</u>	<u>\$ 74,610</u>

NOTES:

1. The grant period under the OEPA FY2010 State Biennium Water contract is September 9, 2009 through June 30, 2010 (State of Ohio grant).
2. As of June 30, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OKI
FY 2010 LOCAL WATER QUALITY PLANNING PROJECT
JUNE 30, 2010

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:			
County matching funds	\$ 53,226	\$ 58,671	\$ 58,671
Total Operating Revenues	<u>53,226</u>	<u>58,671</u>	<u>58,671</u>
Operating Expenses:			
Direct expenses			
Personnel	15,552	18,782	18,782
Fringe benefits	10,465	12,264	12,264
Travel, subsistence & professional	3,055	1,576	1,576
Printing, marketing & contractual	500	1,007	1,007
Other direct expenses	4,925	1,709	1,709
Indirect costs	<u>18,729</u>	<u>23,333</u>	<u>23,333</u>
Total Operating Expenses	<u>53,226</u>	<u>58,671</u>	<u>58,671</u>
Tasks:			
Local water quality planning	<u>53,226</u>	<u>58,671</u>	<u>58,671</u>
Total Tasks	<u><u>\$ 53,226</u></u>	<u><u>\$ 58,671</u></u>	<u><u>\$ 58,671</u></u>

NOTES:

1. The project period for Local Water Quality Planning was July 1, 2009 through June 30, 2010
2. Budget amounts were derived from fiscal 2010 overall agency budget.
3. As of June 30, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OKI
FY 2010 LOCAL REGIONAL PLANNING
JUNE 30, 2010

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:			
County matching funds	\$ 81,798	\$ 106,444	\$ 106,444
Total revenues	<u>81,798</u>	<u>106,444</u>	<u>106,444</u>
Operating Expenses:			
Direct expenses			
Personnel	28,046	36,553	36,553
Fringe benefits	18,872	23,868	23,868
Travel, subsistence & professional	570	135	135
Other direct expenses	535	478	478
Indirect costs	<u>33,775</u>	<u>45,410</u>	<u>45,410</u>
Total Operating Expenses	<u>81,798</u>	<u>106,444</u>	<u>106,444</u>
Tasks:			
Local regional planning	<u>81,798</u>	<u>106,444</u>	<u>106,444</u>
Total Tasks	<u><u>\$ 81,798</u></u>	<u><u>\$ 106,444</u></u>	<u><u>\$ 106,444</u></u>

NOTES:

1. The project period for Local Regional Planning program July 1, 2009 through June 30, 2010
2. Budget amounts were derived from fiscal 2010 overall agency budget.
3. As of June 30, 2010, no costs subject to audit have been questioned.

SCHEDULES OF CUMULATIVE REVENUES AND EXPENDITURES

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OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FHWA/ODOT/KYTC/INDOT
FY 2010 TRANSPORTATION PLANNING
JUNE 30, 2010

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2010
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (MPO-PL Funds)	\$ 2,212,979	\$ 1,723,203	\$ 1,723,203
Kentucky: KYTC (HPR-PL Funds)	358,720	295,740	295,740
Kentucky: KYTC (FTA Funds)	108,641	89,567	89,567
Indiana: INDOT (Trans PL Funds)	5,157	5,136	5,136
State matching funds Ohio	276,622	215,400	215,400
State matching funds Kentucky	22,420	18,484	18,484
County matching funds	372,332	294,528	294,528
Local contracts	50,000	28,744	28,744
Total Operating Revenues	3,406,871	2,670,802	2,670,802
Operating Expenses:			
Direct expenses			
Personnel	1,147,767	895,680	895,680
Fringe benefits	772,332	582,236	582,236
Travel, subsistence & professional	59,133	36,403	36,403
Printing, marketing & contractual	7,275	453	453
Other direct expenses	38,109	38,346	38,346
Indirect costs	1,382,255	1,117,684	1,117,684
Total Operating Expenses	3,406,871	2,670,802	2,670,802
Tasks:			
Short range planning	350,500	271,382	271,382
Transportation improvement program	166,500	124,957	124,957
Surveillance	1,355,600	1,057,894	1,057,894
Homeland security data project (50/50)	53,000	40,815	40,815
Homeland security data project (100%)	23,500	8,337	8,337
Long range planning	933,300	723,205	723,205
UPWP administration	18,850	15,857	15,857
Public involvement	253,000	199,803	199,803
INDOT exclusive	6,446	6,419	6,419
KYTC exclusive safety and operating	72,175	82,929	82,929
Transportation annual summary	10,250	10,231	10,231
Air quality program	163,750	128,973	128,973
Total Tasks	\$ 3,406,871	\$ 2,670,802	\$ 2,670,802

NOTES:

1. The grant period for FY 2010 Transportation Planning is July 1, 2009 through December 31, 2010.
2. FHWA/ODOT/KYTC funds are received under agreements for continuation of a transportation planning process with ODOT and KYTC. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year. INDOT also participated with the funding being 80 percent Federal and 20 percent local match.
3. As of June 30, 2010, 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 2010 SURFACE TRANSPORTATION PROGRAM (STP)
JUNE 30, 2010

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2010
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (STP)	\$ 300,000	\$ 273,221	\$ 273,221
Kentucky: KYTC (SNK)	47,770	42,033	42,033
Indiana: INDOT (STP)	20,000	20,000	20,000
County matching funds	14,166	14,854	14,854
Local contracts	62,776	24,640	24,640
Total Operating Revenues	444,712	374,748	374,748
Operating Expenses:			
Direct expenses			
Personnel	130,815	120,645	120,645
Fringe benefits	88,013	78,268	78,268
Travel, subsistence & professional	12,060	4,629	4,629
Printing, marketing & contractual	52,000	18,775	18,775
Other direct expenses	4,278	1,581	1,581
Indirect costs	157,546	150,850	150,850
Total Operating Expenses	444,712	374,748	374,748
Tasks:			
Long range planning land use	285,830	273,392	273,392
Long range planning FIAM implementation	88,882	63,001	63,001
Long range planning FIAM maintenance & startups	45,000	11,776	11,776
INDOT	25,000	26,579	26,579
Total Tasks	\$ 444,712	\$ 374,748	\$ 374,748

NOTES:

1. The grant period for the Surface Transportation Program agreement is July 1, 2009 through December 31, 2010.
2. FHWA/ODOT STP/KYTC SNK funds were received under agreements for specified long range planning activities. Revenues were received and expenditures incurred in accordance with an overall work program approved each fiscal year.
3. These tasks are funded with Ohio STP funds - land use at a rate of 100 percent and FIAM at a rate of 80 percent. Kentucky SNK funds for all tasks are 80 percent Federal and 20 percent local match. INDOT also participated with the funding being 80 percent Federal and 20 percent local match.
4. As of June 30, 2010, 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 2010-11 OZONE AWARENESS
JUNE 30, 2010

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (CMAQ)	\$ 800,648	\$ 15,077	\$ 15,077
Kentucky: KYTC (CMAQ)	55,720	2,791	2,791
Kentucky: KYTC (SNK)	44,805	-	-
Contributed services	<u>25,131</u>	<u>4,530</u>	<u>4,530</u>
Total Operating Revenues	<u>926,304</u>	<u>22,398</u>	<u>22,398</u>
Operating Expenses:			
Direct expenses			
Personnel	86,000	-	-
Fringe benefits	53,754	-	-
Travel, subsistence & professional	3,000	-	-
Printing, marketing & contractual	651,328	17,868	17,868
Other direct expenses	12,845	-	-
Indirect costs	94,246	-	-
Contributed services	<u>25,131</u>	<u>4,530</u>	<u>4,530</u>
Total Operating Expenses	<u>926,304</u>	<u>22,398</u>	<u>22,398</u>
Non-operating Revenues (Expenses):			
Contributed services revenues	-	33,672	33,672
Contributed services expenses	<u>-</u>	<u>(33,672)</u>	<u>(33,672)</u>
Total Non-operating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Tasks:			
Ozone awareness program	<u>926,304</u>	<u>56,070</u>	<u>56,070</u>
Total Tasks	<u>\$ 926,304</u>	<u>\$ 56,070</u>	<u>\$ 56,070</u>

NOTES:

1. State grants and contracts consist of the following:
 - a. ODOT agreement for July 1, 2009 through June 30, 2012 for \$800,648 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent.
 - b. UPWP KYTC funding beginning July 1, 2009 for \$55,720 in KYTC CMAQ and \$44,805 in KYTC/SNK. Expenses reimbursed to OKI at a participation rate of 15.6189 percent of program from FY 09 CMAQ and FY 10 SNK funding contracts, matched with contributed services. A minimum 20% match was required and exceeded.
2. As of June 30, 2010, 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 2010 RIDESHARE
JUNE 30, 2010

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:			
Federal and state grants			
Ohio: ODOT (CMAQ)	\$ 240,001	\$ 122,486	\$ 122,486
Kentucky: KYTC (SNK)	44,424	22,672	22,672
Contributed services	<u>11,106</u>	<u>10,693</u>	<u>10,693</u>
 Total Operating Revenues	 <u>295,531</u>	 <u>155,851</u>	 <u>155,851</u>
Operating Expenses:			
Direct expenses			
Personnel	39,942	7,589	7,589
Fringe benefits	27,103	4,556	4,556
Travel, subsistence & professional	100	62	62
Printing, marketing & contractual	169,810	122,639	122,639
Other direct expenses	1,950	124	124
Indirect costs	45,520	10,188	10,188
Contributed services	<u>11,106</u>	<u>10,693</u>	<u>10,693</u>
 Total Operating Expenses	 <u>295,531</u>	 <u>155,851</u>	 <u>155,851</u>
Non-operating Revenues (Expenses):			
Contributed services revenues	-	184,842	184,842
Contributed services expenses	<u>-</u>	<u>(184,842)</u>	<u>(184,842)</u>
 Total Non-operating Revenues (Expenses)	 <u>-</u>	 <u>-</u>	 <u>-</u>
Tasks:			
Marketing	<u>295,531</u>	<u>340,693</u>	<u>340,693</u>
 Total Tasks	 <u>\$ 295,531</u>	 <u>\$ 340,693</u>	 <u>\$ 340,693</u>

NOTES:

1. State grants and contracts consist of the following:
 - a. ODOT agreement for the period July 1, 2009 through December 31, 2011 for \$240,001 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent.
 - b. UPWP KYTC funding beginning July 1, 2009 for \$44,424 in KYTC/SNK reimbursed to OKI at a participation rate of 15.6189 percent of program from FY10 SNK funding agreement and matched with contributed services. A minimum 20% match was required and exceeded.
2. As of June 30, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FTA
FY 2007 JOB ACCESS REVERSE COMMUTE ADMINISTRATION PROGRAM
JUNE 30, 2010

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2009</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 118,969	\$ 31,737	\$ 15,251	\$ 46,988
Total Operating Revenues	<u>118,969</u>	<u>31,737</u>	<u>15,251</u>	<u>46,988</u>
Operating Expenses:				
Direct expenses				
Personnel	44,357	10,795	5,249	16,044
Fringe benefits	24,689	6,037	3,428	9,465
Travel, subsistence & professional	100	-	13	13
Other direct expenses	600	1,392	39	1,431
Indirect costs	<u>49,223</u>	<u>13,513</u>	<u>6,522</u>	<u>20,035</u>
Total Operating Expenses	<u>118,969</u>	<u>31,737</u>	<u>15,251</u>	<u>46,988</u>
Tasks:				
Job Access Reverse Commute	<u>118,969</u>	<u>31,737</u>	<u>15,251</u>	<u>46,988</u>
Total Tasks	<u>\$ 118,969</u>	<u>\$ 31,737</u>	<u>\$ 15,251</u>	<u>\$ 46,988</u>

NOTES:

1. The Job Access Reverse Commute administration grant began July 5, 2007.
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, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FTA
FY 2007 NEW FREEDOM ADMINISTRATION PROGRAM
JUNE 30, 2010

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2009</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 76,309	\$ 33,419	\$ 24,070	\$ 57,489
Total Operating Revenues	<u>76,309</u>	<u>33,419</u>	<u>24,070</u>	<u>57,489</u>
Operating Expenses:				
Direct expenses				
Personnel	28,583	11,395	8,288	19,683
Fringe benefits	15,907	6,437	5,411	11,848
Travel, subsistence & professional	-	-	13	13
Other direct expenses	100	1,249	62	1,311
Indirect costs	<u>31,719</u>	<u>14,338</u>	<u>10,296</u>	<u>24,634</u>
Total Operating Expenses	<u>76,309</u>	<u>33,419</u>	<u>24,070</u>	<u>57,489</u>
Tasks:				
New Freedom	<u>76,309</u>	<u>33,419</u>	<u>24,070</u>	<u>57,489</u>
Total Tasks	<u>\$ 76,309</u>	<u>\$ 33,419</u>	<u>\$ 24,070</u>	<u>\$ 57,489</u>

NOTES:

1. The New Freedom administration grant began July 5, 2007.
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, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FTA
FY 2008 NEW FREEDOM PASS-THROUGH PROGRAMS
JUNE 30, 2010

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2009</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:				
Federal and state grants				
Federal FTA	\$ 431,787	\$ 34,598	\$ 50,597	\$ 85,195
Contributed services	<u>739,314</u>	<u>252,694</u>	<u>55,971</u>	<u>308,665</u>
Total Operating Revenues	<u>1,171,101</u>	<u>287,292</u>	<u>106,568</u>	<u>393,860</u>
Operating Expenses:				
Direct expenses				
Printing, marketing & contractual	431,787	34,598	50,597	85,195
Contributed services	<u>739,314</u>	<u>252,694</u>	<u>55,971</u>	<u>308,665</u>
Total Operating Expenses	<u>1,171,101</u>	<u>287,292</u>	<u>106,568</u>	<u>393,860</u>
Tasks:				
Wesley Community Services	376,721	287,292	-	287,292
Community Cab	<u>794,380</u>	<u>-</u>	<u>106,568</u>	<u>106,568</u>
Total Tasks	<u>\$ 1,171,101</u>	<u>\$ 287,292</u>	<u>\$ 106,568</u>	<u>\$ 393,860</u>

NOTES:

1. The Job Access Reverse Commute and New Freedom grants began July 1, 2008.
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.
4. The Wesley Community Services portion of the pass through was completed June 30, 2009. The budget was for \$34,597 in federal funds and \$342,124 in match. The final program was \$34,597 in federal funds and \$252,694 in match. Although the match is not in the amount budgeted it is in excess of the 50% requirement and was accepted by FTA.
5. As of June 30, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FTA
FY 2010 NEW FREEDOM ADMINISTRATION PROGRAM
JUNE 30, 2010

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:			
Federal and state grants			
Federal FTA	\$ 93,632	\$ 452	\$ 452
Total Operating Revenues	<u>93,632</u>	<u>452</u>	<u>452</u>
Operating Expenses:			
Direct expenses			
Personnel	32,342	156	156
Fringe benefits	21,770	102	102
Other direct expenses	1,360	-	-
Indirect costs	<u>38,160</u>	<u>194</u>	<u>194</u>
Total Operating Expenses	<u>93,632</u>	<u>452</u>	<u>452</u>
Tasks:			
New Freedom Administration	<u>93,632</u>	<u>452</u>	<u>452</u>
Total Tasks	<u>\$ 93,632</u>	<u>\$ 452</u>	<u>\$ 452</u>

NOTES:

1. The Job Access Reverse Commute and New Freedom grants began October 8, 2009.
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, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
FTA
FY 2010 NEW FREEDOM PASS-THROUGH PROGRAMS
JUNE 30, 2010

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:			
Federal and state grants			
Federal FTA	\$ 294,880	\$ 10,350	\$ 10,350
Contributed services	<u>400,000</u>	<u>35,208</u>	<u>35,208</u>
Total Operating Revenues	<u>694,880</u>	<u>45,558</u>	<u>45,558</u>
Operating Expenses:			
Direct expenses			
Printing, marketing & contractual	294,880	10,350	10,350
Contributed services	<u>400,000</u>	<u>35,208</u>	<u>35,208</u>
Total Operating Expenses	<u>694,880</u>	<u>45,558</u>	<u>45,558</u>
Tasks:			
Wesley Community Services	494,880	-	-
New Freedom	<u>200,000</u>	<u>45,558</u>	<u>45,558</u>
Total Tasks	<u>\$ 694,880</u>	<u>\$ 45,558</u>	<u>\$ 45,558</u>

NOTES:

1. The Job Access Reverse Commute and New Freedom grants began January 1, 2010.
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.
4. As of June 30, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
HAMILTON COUNTY TID-PART B
JUNE 30, 2010

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2009</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:				
Federal and state grants				
Ohio: ODOT (STP)	\$ 308,796	\$ 144,651	\$ 35,669	\$ 180,320
Contributed services	<u>77,199</u>	<u>36,162</u>	<u>8,917</u>	<u>45,079</u>
Total Operating Revenues	<u>385,995</u>	<u>180,813</u>	<u>44,586</u>	<u>225,399</u>
Operating Expenses:				
Direct expenses				
Printing, marketing & contractual	308,796	144,651	35,669	180,320
Contributed services	<u>77,199</u>	<u>36,162</u>	<u>8,917</u>	<u>45,079</u>
Total Operating Expenses	<u>385,995</u>	<u>180,813</u>	<u>44,586</u>	<u>225,399</u>
Tasks:				
Hamilton County TID Part B	<u>385,995</u>	<u>180,813</u>	<u>44,586</u>	<u>225,399</u>
Total Tasks	<u><u>\$ 385,995</u></u>	<u><u>\$ 180,813</u></u>	<u><u>\$ 44,586</u></u>	<u><u>\$ 225,399</u></u>

NOTES:

1. The grant for the Hamilton County TID began July 1, 2002.
2. STP/ODOT funds are received under an agreement with ODOT at a participation rate of 80 percent. Revenues were received and expenditures incurred in accordance with a UPWP approved each fiscal year.
3. Hamilton County TID provides the 20 percent match from non-Federal funds through their participation in the project.
4. As of June 30, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
OEPA
FY 2010 OEPA 604B ARRA WATER QUALITY MANAGEMENT
JUNE 30, 2010

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2010</u>
Operating Revenues:			
Federal and state grants			
Ohio: OEPA (EPA Funds)	\$ 127,000	\$ 49,001	\$ 49,001
Total Operating Revenues	<u>127,000</u>	<u>49,001</u>	<u>49,001</u>
Operating Expenses:			
Direct expenses			
Personnel	42,149	16,916	16,916
Fringe benefits	28,473	11,046	11,046
Travel, subsistence & professional	2,464	20	20
Printing, marketing & contractual	150	-	-
Other direct expenses	3,430	4	4
Indirect costs	<u>50,334</u>	<u>21,015</u>	<u>21,015</u>
Total Operating Expenses	<u>127,000</u>	<u>49,001</u>	<u>49,001</u>
Tasks:			
Ohio water quality	<u>127,000</u>	<u>49,001</u>	<u>49,001</u>
Total Tasks	<u><u>\$ 127,000</u></u>	<u><u>\$ 49,001</u></u>	<u><u>\$ 49,001</u></u>

NOTES:

1. The grant period under the OEPA FY2010 ARRA Water Quality Management contract is July 1, 2009 through June 30, 2011.
2. As of June 30, 2010, no costs subject to audit have been questioned.

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
IDEM
DEARBORN COUNTY WATER QUALITY MANAGEMENT PLAN UPDATE
JUNE 30, 2010

	Budget	Current Year Revenue and Expenditures	Cumulative Revenues and Expenditures as of June 30, 2010
Operating Revenues:			
Federal and state grants			
Indiana: IDEM (ARRA funds)	\$ 90,437	\$ 26,975	\$ 26,975
Total Operating Revenues	90,437	26,975	26,975
Operating Expenses:			
Direct expenses			
Personnel	29,223	9,261	9,261
Fringe benefits	19,953	6,046	6,046
Travel, subsistence & professional	1,152	-	-
Printing, marketing & contractual	500	-	-
Other direct expenses	4,066	163	163
Indirect costs	35,543	11,505	11,505
Total Operating Expenses	90,437	26,975	26,975
Non-operating Revenues (Expenses):			
Contributed services revenues	-	3,467	3,467
Contributed services expenses	-	(3,467)	(3,467)
Total Non-operating Revenues (Expenses)	-	-	-
Tasks:			
IDEM ARRA non-point source	22,333	10,158	10,158
IDEM ARRA point sources	17,094	4,931	4,931
IDEM ARRA land use population	18,096	10,031	10,031
IDEM ARRA advisory group and outreach	19,130	5,321	5,321
IDEM ARRA plan document	13,784	1	1
Total Tasks	\$ 90,437	\$ 30,442	\$ 30,442

NOTES:

1. The grant period under the IDEM FY2010 Dearborn County Water Quality Management Plan Update contract is February 3, 2010 through August 2, 2011.
2. During the application process Dearborn County GIS pledged \$3,000 in contributed services and Dearborn County Plan Commission pledged \$6,000 in contributed services. IDEM did not include these contributed services in the contract, but OKI records them to report support of the program.
3. As of June 30, 2010, 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, 2010**

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	Federal Award Amount	Total Project Budget	Total Federal Expenditures for the year ended June 30, 2010	Cumulative Federal Expenditures as of June 30, 2010
U. S. Department of Transportation					
<i>Direct Programs - Federal Transit Administration</i>					
<i>Transit Services Programs Cluster</i>					
FY 2007 FTA - Job Access Reverse Commute Administration Program	20.516	\$ 118,969	\$ 118,969	\$ 15,251	\$ 46,988
FY 2007 FTA - New Freedom Administration Program	20.521	76,309	76,309	24,070	57,489
FY 2008 FTA - New Freedom Pass-Through Programs	20.521	431,787	1,171,101	50,597	85,195
FY 2010 FTA - New Freedom Administration Program	20.521	93,632	93,632	452	452
FY 2010 FTA - New Freedom Pass-Through Programs	20.521	294,880	694,880	10,350	10,350
Total Direct Programs		1,015,577	2,154,891	100,720	200,474
<i>Programs Passed Through State Department of Transportation (Ohio, Kentucky & Indiana) - Federal Highway Administration</i>					
FY 2009 Transportation Planning	20.205	2,615,902	3,269,879	304,625	2,783,866
FY 2010 Transportation Planning	20.205	2,685,497	3,406,871	2,113,646	2,113,646
FY 2008 Surface Transportation Program	20.205	557,486	621,858	83	547,334
FY 2009 Surface Transportation Program	20.205	562,645	593,306	105,457	553,605
FY 2010 Surface Transportation Program	20.205	367,770	444,712	335,254	335,254
FY 2009 Ozone Awareness Program	20.205	469,063	486,248	396,820	474,432
FY 2010-11 Ozone Awareness Program	20.205	901,173	926,304	17,868	17,868
FY 2009 Project Rideshare	20.205	284,425	295,531	107,228	284,421
FY 2010 Project Rideshare	20.205	284,425	295,531	145,158	145,158
Hamilton County TID - Part B	20.205	308,796	385,995	35,669	180,320
Total Passed Through Programs		9,037,182	10,726,235	3,561,808	7,435,904
Total U. S. Department of Transportation		10,052,759	12,881,126	3,662,528	7,636,378
U.S. Environmental Protection Agency					
<i>Programs Passed through State Environmental Protection Agency</i>					
FY 2010 OEPA 604B Water Quality Planning	66.454	25,797	25,797	25,723	25,723
FY 2010 OEPA 604B ARRA Water Quality Management	66.454	127,000	127,000	49,001	49,001
Dearborn County Water Quality Management Plan Update ARRA	66.460	90,437	90,437	26,975	26,975
Total U.S. Environmental Protection Agency		243,234	243,234	101,699	101,699
Total		\$ 10,295,993	\$ 13,124,360	\$ 3,764,227	\$ 7,738,077

See accompanying notes to schedule.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010**

1. The supplementary schedule of expenditures of Federal awards was prepared using the accrual basis of accounting.
2. Expenditures for fringe benefits and indirect costs included in the Schedule of Expenditures of Federal Awards reflect the application of provisional rates adjusted to actual, subject to grant or program limitations.

Bastin & Company, LLC

Certified Public Accountants

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

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

We have audited the financial statements of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 18, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered OKI's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of OKI's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of OKI's internal control over financial reporting.

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 a combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

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

Bastin & Company, LLC

Cincinnati, Ohio
November 18, 2010

Bastin & Company, LLC

Certified Public Accountants

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

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

Compliance

We have audited the compliance of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. OKI's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of OKI's management. Our responsibility is to express an opinion on OKI's compliance based on our audit.

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

In our opinion, OKI complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of OKI is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered OKI's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of OKI's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a

reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

A handwritten signature in black ink that reads "Bastin & Company, LLC". The signature is written in a cursive style and is centered on the page.

Cincinnati, Ohio
November 18, 2010

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 OMB CIRCULAR A-133 § .505
 FOR THE YEAR ENDED JUNE 30, 2010**

SUMMARY OF AUDITORS' RESULTS

Type of financial statement opinion	Unqualified
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	Unqualified
Are there any reportable findings?	No
Major programs:	CFDA 20.205 Federal Highway Administration
	CFDA 20.516 and 20.521 Federal Transit Administration
	CFDA 66.460 and 66.454 U.S. Environmental Protection Agency
Dollar threshold to distinguish between Type A/B programs	Type A: >\$300,000 Type B: all others
Low risk auditee?	Yes

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

None

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
AS OF JUNE 30, 2010**

There were no findings or questioned costs reported in the prior audit report.

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Dave Yost • Auditor of State

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENT

HAMILTON COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
MARCH 15, 2011