

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

**Financial Statements  
and  
Supplementary Information**

**for the years ended June 30, 2006 and 2005**

OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS

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June 30, 2006

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## ACRONYMS

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



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

### **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying balance sheet of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI), as of June 30, 2006 and 2005, and the related statement of revenues, expenditures and changes in net assets, and of cash flows for the years then ended. These financial statements are the responsibility of OKI's management. Our responsibility is to express an opinion on these financial statements based on our audit.

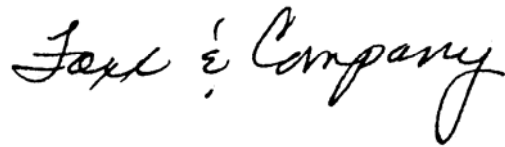
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of OKI as of June 30, 2006 and 2005, and the changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2006 on our consideration of OKI's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

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

A handwritten signature in cursive script that reads "Jaxx & Company". The signature is written in black ink and is positioned to the right of the date and location text.

Cincinnati, Ohio  
October 6, 2006

Ohio-Kentucky-Indiana  
Regional Council of Governments

**MANAGEMENT DISCUSSION AND ANALYSIS**

June 30, 2006

As management of the Ohio-Kentucky-Indiana Regional Council of Governments (OKI), we offer readers of OKI's financial statements this narrative overview and analysis of OKI's financial performance during the fiscal year ending June 30, 2006. Please read it in conjunction with OKI's financial statements, which follow this section.

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**OKI OVERVIEW**

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

Formed in 1964, OKI has spent 42 years cultivating partnerships and alliances that range from the federal government to local councils. Its 103 members represent governmental, social and civic groups from 198 communities in the eight county, three-state region.

Together we work 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. This past year, OKI approved over \$30 million in funding for projects in this region.

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

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**OKI PROGRAMS AND ACTIVITIES**

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

- OKI has been actively helping communities develop strategies to develop plans for *Greenspace and Land Use*. Green infrastructure, along with other precious resources—water and air—are key to the vitality of future generations.

- OKI continues to work on water quality issues with a number of groups including the ***Mill Creek Council of Communities***. The Mill Creek is a vital but much abused waterway in the very center of our community.
- Also, OKI's work with the ***Regional Ozone Coalition***, has received statewide recognition in leading the fight for cleaner air. OKI is the recipient of two Ohio Governor's awards for outstanding achievement in pollution prevention.

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

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

- ***Homeland Defense:*** OKI is working with emergency responders and others to assess regional capabilities in the case of disaster.
- ***Brent Spence Bridge Cooperative:*** OKI is working closely with the business community, the Kentucky Transportation Cabinet and Ohio Department of Transportation to develop strategies for the replacement of this vital river crossing.
- ***RideShare*** has been a part of OKI for over 25 years: OKI's RideShare program has offered tri-state commuters alternatives to driving alone to and from work. RideShare helps commuters save money and time and reduces stress by forming carpools and vanpools.
- ***The Southwest Warren Transportation Study*** provided transportation strategies for improving mobility and safety in a rapidly growing part of our region.
- ***The Dixie Fix: Envisioning the Future of Dixie Highway:*** Dixie Highway has been called the most heavily traveled and congested artery in Kenton County. In partnership with the Northern Kentucky Area Planning Commission (NKAPC), *The Dixie Fix* identified transportation planning and design solutions.
- ***Southeastern Indiana Transportation Gateway: U.S. 50 Corridor Transportation and Land Use Plan:*** This study will create a new vision for the US 50 corridor in Dearborn County, improve mobility and safety for residents, commuters and freight and establish a development plan that improves the economic potential of the region. A multi-modal system and access management will also be examined.
- ***I-471 Corridor Study:*** In early 2006, OKI began to examine mobility and safety issues in this corridor anchored at the north end by the Ohio River and on the south by Northern Kentucky University and the Technology Commercialization Triangle.

- ***Geographic Information System (GIS):*** OKI has partnered with local, state, and federal agencies to develop a regional GIS program which serves as a support tool for our transportation and environmental planners.
- OKI also serves as a resource to communities and organizations for the expansion and improvement of the region's ***bicycle transportation system***.
- ***The Uptown Transportation Study*** is a critical study investigating opportunities for mobility to, from, and within the Uptown area which is home to 60,000 employees and 70,000 residents.
- ***The Western Corridor Transportation Study*** is a major investment study of the western portion of Hamilton County. The study is focusing on improving mobility and safety for residents, commuters, visitors and freight within this growing portion of the county

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.

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## **FINANCIAL HIGHLIGHTS**

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During fiscal year 2005, OKI expanded its computer technology by making network improvements; expanding GIS and transportation modeling abilities; and moving into simulation technology. The capital cost related to these improvements was \$64,836.

During fiscal year 2006, OKI continued technology improvements at a capital cost of \$10,744. OKI also replaced an aging vehicle for \$18,464.

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## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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This annual report includes management's discussion and analysis report, the independent auditor's report and the basic financial statements of OKI. The financial statements also include notes and individual project reports that explain in more detail some of the information in the financial statements.

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## **REQUIRED FINANCIAL STATEMENTS**

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The financial statements report information of OKI and its component activities using accounting methods similar to those used by private sector companies and offer short- and long-term financial information about the current fiscal year 2006 activities. The Statement of Net Assets includes all assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of OKI and assessing liquidity and financial flexibility.

All of the current year's revenue and expenses are accounted for in the Statement of Revenues, Expenses and Change in Net Assets. This statement measures the success of operations over the past year and can be used to determine whether OKI has successfully recovered all the costs through member contribution, Federal, State of Ohio and State of Kentucky and local reimbursements, and other revenues.

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

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## **FINANCIAL ANALYSIS OF OKI**

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

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## NET ASSETS

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

	<u>Current Year</u>	<u>Last Year</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Current assets	\$ 1,857	\$ 2,464	\$ (607)	(24.63)
Capital assets, net	<u>115</u>	<u>117</u>	<u>(2)</u>	<u>(1.71)</u>
Total assets	<u>\$ 1,972</u>	<u>\$ 2,581</u>	<u>\$ (609)</u>	<u>(26.3)</u>
Current liabilities	1,042	1,608	(566)	(35.20)
Noncurrent liabilities	<u>103</u>	<u>80</u>	<u>23</u>	<u>28.75</u>
Total liabilities	<u>1,145</u>	<u>1,688</u>	<u>(543)</u>	<u>(6.45)</u>
Invested in capital assets, net of debt	115	117	(2)	(1.71)
Unrestricted	<u>712</u>	<u>776</u>	<u>(64)</u>	<u>(8.25)</u>
<b>Total net assets</b>	<u><b>\$ 827</b></u>	<u><b>\$ 893</b></u>	<u><b>\$ (66)</b></u>	<u><b>(9.96)</b></u>

**Current assets** decreased by \$607k or 24.6% over last year due to lower receivables associated with the Electronic Funds Transfer payment processing by ODOT and INDOT during the fiscal year and a decrease in deferred revenues associated with the progress of the Uptown study.

**Capital assets** decreased by \$2k or 1.7% due to purchases being slightly lower than depreciation this year.

**Current liabilities** decreased by \$566k or 35.2% due to decrease in level of open payables resulting from expedited payments by ODOT and a decrease in deferred revenues associated with the progress of the Uptown study.

**Noncurrent liabilities** increased by \$23k or 28.8% due to salary increases and a general slowing in vacation usage resulting in higher unused balances at the end of the fiscal year, increasing the long term compensated leave liabilities.

**Unrestricted net assets** – the part of net assets that can be used to finance day-to-day operations without constraints or legal requirements – decreased by \$64k or 8.3% primarily due to the timing of current projects.

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## BUDGET VS ACTUAL

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**Table A-2**  
**Condensed Statement of Budget versus Actual (\$ in Thousands)**  
**for the year ended June 30, 2006**

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
Operating revenues			
Federal and State Funded Grants	\$ 4,026	\$ 5,362	\$ (1,336)
Local Government Contracts	1,715	1,757	(42)
Other Revenues	<u>141</u>	<u>137</u>	<u>4</u>
Total operating revenues	<u>5,882</u>	<u>7,256</u>	<u>(1,374)</u>
Operating expenses			
Salaries and wages	2,095	2,136	(41)
Fringe benefits	581	745	(164)
Travel, subsistence and professional development	92	154	(62)
Printing, marketing, and contractual	2,170	3,188	(1,018)
Other expenses	757	913	(156)
Contributed Outside Services	<u>111</u>	<u>125</u>	<u>(14)</u>
Total operating expenses	<u>5,806</u>	<u>7,261</u>	<u>(1,455)</u>
Operating income	76	(5)	81
<b>Change in net assets</b>			
Net assets, July 1 restated	<u>751</u>	<u>893</u>	<u>(142)</u>
<b>Net assets, end of year</b>	<u>\$ 827</u>	<u>\$ 888</u>	<u>\$ (61)</u>

Revenues were lower than budget due to the timing and funding of several major projects. In late 2005, ODOT allocated additional PL funds to OKI for FY2006. Due to the timing of the funding, MPOs were permitted to carry the funds into FY2007. The Western Corridor Transportation Study progressed slower than budgeted and the I-471 Study began later than budgeted which caused state revenues to be less than budgeted. The Dearborn County US50 Study was added to the budget mid-year and started slower than anticipated causing local revenues to be less than budgeted.

Expenses were lower than budget due to health insurance savings and timing of several projects. Changes to OKI's health plan- some made by the carrier and some made by OKI- along with increased employee contributions, resulted in OKI spending \$129,000 less than budgeted on employee health insurance. Travel was \$20,000 under budget due to efforts to conserve General and Administrative funding. Staff professional development was \$27,000 under budget due to

savings associated with professional memberships, training included with maintenance, and timing of some budgeted activities. The timing of the Dearborn County US50 study, the I-471 Study, and traffic counts shifted budgeted expenses such as consulting and professional services into later periods causing OKI to be under budget in these categories for FY2006. Other expenditures were under budget due to savings on supplies, maintenance contingency budgeted but not needed, website management performed in-house, savings on anticipated meeting expense, and savings on budgeted software purchases.

In FY2006, OKI was able to exercise operational controls and was under budget in the areas of Regional Planning, Local Water and General and Administrative activities for an increase to net assets of \$55,000. Project timing contributed an additional increase to net assets of \$98,000 – this amount will be used during fiscal 2007 to match projects.

During 2006, ODOT conducted their first audit in over 20 years. The results of that audit were as follows:

- 1) OKI's Fiscal Year 2005 beginning of year net assets were reduced by \$142,000 and a corresponding payable recorded to ODOT and the Kentucky Transportation Cabinet. This adjustment was for incorrectly invoicing contributed services for the fiscal years 2002 to 2004.
- 2) OKI was required to reduce its fiscal year 2006 fringe benefit and indirect cost pools by \$77,000 for disallowed costs charged to the cost pools for fiscal year 2003 through 2005.

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## **CAPITAL ASSETS**

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Capital assets remained stable during FY2006. OKI purchased a van to replace an aging 1996 model. New postage equipment was acquired through a capital lease to bring OKI up to the current postal technology requirements. The lease is a five year agreement with Pitney Bowes valued at \$7,213.

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## **DEBT**

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The council continues to maintain an \$850,000 bank line of credit if needed.

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## **ECONOMIC CONDITIONS**

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OKI considered many factors when setting the fiscal year 2006 budget, including funding from federal and state agencies, the eight counties supporting the Council and program demands from the member agencies.

OKI continues to rely on federal and state grants, local program grants, corridor studies, and other local projects to fund its many programs. At present, federal and state funding sources are secure; however, legislative action can affect both revenue streams. The eight counties that

comprise the region are contributing funding the council's administrative costs based on each 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 is working closely with the business community, the Kentucky Transportation Cabinet, and Ohio Department of Transportation to develop strategies for the replacement of this vital river crossing.

The new SAFETEA-LU legislation passed in August 2005. This legislation reauthorizes the funding levels for MPO'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.

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## **CONTACTING OKI**

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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, 2006 and 2005**

	<b>2006</b>	<b>2005 Restated</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 2)	\$ 1,002,389	\$ 1,222,419
Accounts receivable (Note 3)	841,757	1,231,285
Prepaid Expenses	13,296	10,574
<b>Total current assets</b>	<b>1,857,442</b>	<b>2,464,278</b>
 <b>Noncurrent assets:</b>		
Capital assets, net (Note 4)	114,797	116,991
<b>Total noncurrent assets</b>	<b>114,797</b>	<b>116,991</b>
<b>Total assets</b>	<b>1,972,239</b>	<b>2,581,269</b>
 <b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	538,703	786,260
Accrued expenses	212,892	239,206
Deferred revenue	290,826	724,562
<b>Total current liabilities</b>	<b>1,042,421</b>	<b>1,750,028</b>
 <b>Noncurrent liabilities</b>		
Compensated absences	102,987	80,433
<b>Total noncurrent liabilities</b>	<b>102,987</b>	<b>80,433</b>
<b>Total liabilities</b>	<b>1,145,408</b>	<b>1,830,461</b>
 <b>NET ASSETS</b>		
Invested in capital assets	114,797	116,991
Unrestricted	712,035	633,817
<b>Total net assets</b>	<b>\$ 826,832</b>	<b>\$ 750,808</b>

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

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND NET ASSETS**  
**for the years ended June 30, 2006 and 2005**

	<b>2006</b>	<b>2005 Restated</b>
<b>Operating revenues</b>		
Federal and state grants	\$ 4,025,885	\$ 4,841,675
Local grants	1,078,550	321,450
Local matching funds	777,882	644,355
<b>Total operating revenue</b>	<b>5,882,317</b>	<b>5,807,480</b>
 <b>Operating expenses</b>		
Direct expenses		
Personnel	1,308,157	1,315,900
Fringe benefits	682,541	680,276
Travel, subsistence and professional development	57,351	72,910
Printing, marketing and contractual services	2,120,456	1,989,519
Other direct expenses	218,442	121,945
Indirect costs	1,419,346	1,490,071
<b>Total operating expenses</b>	<b>5,806,293</b>	<b>5,670,621</b>
<b>Operating Income</b>	<b>76,024</b>	<b>136,859</b>
 <b>Non-operating expenses</b>		
Loss on disposal of equipment	-	4,892
<b>Total non-operating expenses</b>	<b>-</b>	<b>4,892</b>
 <b>Increase in net assets</b>	<b>76,024</b>	<b>131,967</b>
Net assets, beginning of year	750,808	760,576
Prior period adjustment (Note 9)	-	(141,735)
Net assets, beginning of year, restated	750,808	618,841
<b>Net assets, end of year</b>	<b>\$ 826,832</b>	<b>\$ 750,808</b>

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

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CASH FLOWS**  
for the years ended June 30, 2006 and 2005

	<b>2006</b>	<b>2005 Restated</b>
<b>Cash flow from operating activities</b>		
Receipts from Federal and state grants	\$ 4,531,187	\$ 4,675,737
Receipts from local grants and matching funds	1,307,425	1,569,020
Payments to employees	(1,313,096)	(1,305,570)
Payments to consultants	(1,628,278)	(1,329,701)
Payment to vendors	(1,676,922)	(1,420,881)
Payment for indirect services	(1,409,335)	(1,426,302)
<b>Net cash provided by operating activities</b>	<b>\$ (189,019)</b>	<b>\$ 762,303</b>
 <b>Cash Flow from Capital Financing Activities</b>		
Purchase of fixed assets	(31,011)	(14,536)
Sales proceeds from disposal of fixed assets	-	7,721
<b>Net cash used by capital financing activities</b>	<b>(31,011)</b>	<b>(6,815)</b>
 <b>Net increase (decrease) in cash</b>	(220,030)	755,488
 <b>Cash and cash equivalents, beginning of year</b>	1,222,419	466,931
 <b>Cash and cash equivalents, end of year</b>	<b>\$ 1,002,389</b>	<b>\$ 1,222,419</b>
 <b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating Income	\$ 76,024	\$ 136,859
Adjustments to reconcile net operating income to net cash provided by operating activities		
Depreciation	33,205	47,556
Prior period adjustment	-	(141,735)
Changes in assets and liabilities:		
Decrease (Increase) in:		
Accounts receivable	389,529	(156,007)
Prepaid expenses	(2,722)	16,322
Increase (Decrease) in:		
Accounts payable	(247,558)	238,421
Accrued expenses	(26,315)	28,553
Deferred revenue	(433,737)	602,900
Compensated absences	22,555	(10,566)
<b>Net cash provided by operating activities</b>	<b>\$ (189,019)</b>	<b>\$ 762,303</b>

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

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**for the years ended June 30, 2006 and 2005**

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

***Organization***

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

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

Funds are provided primarily by Federal, state, and local government agencies.

***Basis of Accounting***

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

***Revenue Recognition***

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

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

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

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**for the years ended June 30, 2006 and 2005**

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*Indirect Costs*

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

*Capital Assets*

Capital assets are recorded at cost and are depreciated on the straight-line method over the asset's estimated useful life. OKI's capital assets consist primarily of office furniture and computers. OKI depreciates office furniture and equipment over a ten year period with one-half year depreciation taken in the year of purchase and disposal.

*Income Taxes*

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

**2. Cash and Cash Equivalents**

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

OKI's cash and temporary investments at June 30, 2006 and 2005 consisted of:

	<u>2006</u>	<u>2005</u>
Demand Deposits	\$ 80,078	\$ 31,906
Business Money Savings	922,311	1,190,513
	<u>\$ 1,002,389</u>	<u>\$ 1,222,419</u>

The account values were collateralized by U.S. Government securities held by the Federal Reserve Bank of Cleveland, Cincinnati Branch, as trustee for OKI.

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**  
**NOTES TO FINANCIAL STATEMENTS**  
for the years ended June 30, 2006 and 2005

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**3. Accounts Receivable**

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

	<u>2006</u>	<u>2005</u>
<b>Receivables Under Contracts and Grants</b>		
Ohio	\$ 563,758	\$ 985,501
Kentucky	97,489	192,827
Indiana	11,779	-
Local	168,731	53,461
<b>Receivables Other</b>		
Due to employees	-	(504)
<b>Total Receivables</b>	<u>\$ 841,757</u>	<u>\$ 1,231,285</u>

**4. Capital Assets**

Changes in capital assets for the year that ended June 30, 2006 are summarized below:

<u>Description</u>	<u>Balance</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2006</u>
Office furniture and equipment	\$ 641,563	\$ 31,011	\$ 4,869	\$ 667,705
Less accumulated depreciation	<u>524,572</u>	<u>33,205</u>	<u>4,869</u>	<u>552,908</u>
<b>Furniture and equipment, net</b>	<u>\$ 116,991</u>	<u>\$ (2,194)</u>	<u>\$ -</u>	<u>\$ 114,797</u>

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**for the years ended June 30, 2006 and 2005**

Changes in capital assets for the year that ended June 30, 2005 are summarized below:

<u>Description</u>	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2005</u>
Office furniture and equipment	\$ 958,352	\$ 14,536	\$ 331,325	\$ 641,563
Less accumulated depreciation	<u>795,519</u>	<u>47,556</u>	<u>318,503</u>	<u>524,572</u>
<b>Furniture and equipment, net</b>	<b><u>\$ 162,833</u></b>	<b><u>\$ (33,020)</u></b>	<b><u>\$ 12,822</u></b>	<b><u>\$ 116,991</u></b>

**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. At June 30, 2006 and 2005, OKI had no borrowings against this line of credit.

**6. Lease Commitment**

OKI has entered into operating lease agreements for office facilities and a photocopy machine. Rental expense was \$448,052 and \$430,819 for the year that ended June 30, 2006 and 2005 respectively. On April 17, 2003, OKI entered into a 10 year lease for office facilities at a new location. The lease which became effective July 1, 2004 included office facilities and furniture, fixtures, and equipment. After the fifth year of the lease, OKI may terminate the lease and pay the lessor \$250,000 and return the furniture, fixtures and equipment to the lessor. If OKI continues the lease for a ten year period, the furniture, fixtures and equipment become the property of OKI at the end of the 10 year period.

At June 30, 2005, the minimum future rentals under the non-cancelable leases are due as follows for fiscal years ended June 30:

2007	\$ 462,944
2008	478,050
2009	480,603
2010	469,965
2011	469,965
2012 and beyond	<u>939,929</u>
	<b><u>\$ 3,301,456</u></b>

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**NOTES TO FINANCIAL STATEMENTS**  
**for the years ended June 30, 2006 and 2005**

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**7. Employee Retirement and Fringe Benefit Plans**

The OKI Employees Retirement Plan is a trustee, contributory, defined contribution retirement plan covering all permanent, full-time employees. Contributions to the plan include a contribution by OKI of 6.9 percent of the participant's wages and a mandatory contribution by the participant of 5 percent of his or her wages. An additional employer contribution of 6.20 percent is required on wages in excess of the FICA ceiling. Pension expense was \$127,034 and \$140,463 for the years ended June 30, 2006 and 2005, respectively. Forfeitures reduce the current contributions of OKI to the plan.

Employee contributions are 100 percent vested at date of contribution. Employer contributions vest 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%

**8. Contingent Liabilities**

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

**9. Prior Period Adjustment**

The organization recorded a prior period adjustment of \$141,735 related to disallowed costs as a result an agreed upon procedure engagement performed by the Ohio Department of Transportation (ODOT). OKI has to repay \$141,735 to ODOT and the Kentucky Transportation Cabinet and reduce its 2006 fringe benefits and indirect cost pools by \$62,269 and \$14,497, respectively. The effect of the adjustment was to decrease beginning net assets as of July 1, 2004 and increase accounts payable by \$141,735.

## **SUPPLEMENTARY INFORMATION**

**SCHEDULE 1**

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF REVENUES AND EXPENSES BY ACTIVITY  
for the year ended June 30, 2006  
(with comparative summary totals for 2005)**

	<u>General &amp; Administrative Activities</u>	<u>Environmental Planning Activities</u>	<u>Regional Planning</u>	<u>Ridesharing Implementation</u>	<u>Transportation Planning Activities</u>	<u>Total 2006</u>	<u>Total 2005</u>
Revenues:							
Federal & state grants	\$ -	\$ 120,188	\$ 98,174	\$ 252,699	\$ 3,554,824	\$ 4,025,885	\$ 4,841,675
Local grants		-	133,746	-	944,804	1,078,550	321,450
Local matching funds	225,228	120,894	81,385	8,162	342,213	777,882	644,355
<b>Total Revenues</b>	<b>225,228</b>	<b>241,082</b>	<b>313,305</b>	<b>260,861</b>	<b>4,841,841</b>	<b>5,882,317</b>	<b>5,807,480</b>
Expenses:							
Direct Costs							
Personnel	10,698	53,205	80,582	21,559	1,142,113	1,308,157	1,315,900
Fringe benefits	72,363	25,022	37,897	10,139	537,120	682,541	680,276
Travel, subsistence, and professional development	20,475	1,875	240	216	34,545	57,351	72,910
Printing, marketing, and contractual services	2,072	34,239	103,712	202,321	1,778,112	2,120,456	1,989,519
Other direct expenses	31,989	69,013	3,443	3,235	110,762	218,442	121,945
Indirect costs	11,607	57,728	87,431	23,391	1,239,189	1,419,346	1,490,071
<b>Total Operating Expenses</b>	<b>149,204</b>	<b>241,082</b>	<b>313,305</b>	<b>260,861</b>	<b>4,841,841</b>	<b>5,806,293</b>	<b>5,670,621</b>
<b>Operating Income</b>	<b>\$ 76,024</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 76,024</b>	<b>\$ 136,859</b>

**SCHEDULE 2**

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF FRINGE BENEFIT COST RATES  
for the year ended June 30, 2006**

	Budget	Actual
Fringe benefit costs:		
Holidays	\$ 80,100	\$ 75,256
Sick Leave	75,000	55,552
Vacation	100,000	160,489
Administrative	11,000	8,494
Retirement	168,736	142,034
Group Health	411,651	282,589
FICA	159,870	149,044
Workers Comp	5,000	4,155
Unemployment	10,000	10,437
Employee Incentives	8,000	6,317
Prior Period Adjustment (Note 9)	-	(62,269)
Total fringe benefit costs	\$ 1,029,357	\$ 832,098
Allocation base: Direct and indirect personnel	\$ 1,889,264	\$ 1,770,366
Fringe benefit cost rate	54.48%	47.00%

**Notes:**

1. Approval of the provisional fringe benefit cost rate for the year ended June 30, 2006 was obtained from ODOT.
2. A provisional fringe benefit rate of 54.48 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 fringe benefit cost pool or the direct and indirect personnel allocation base.
4. The provisional rate was utilized during fiscal year 2006 for grant application purposes. The final 2006 fringe benefit rate was applied for financial statement purposes and for determining the final grant amounts claimed.
5. Expenses in the Statement of Revenues, Expenditures and Change in Fund Net Assets reflect the application of actual rates. Individual program costs presented on pages 22 to 42 reflect the application of provisional rates adjusted to actual.

## SCHEDULE 3

### OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS STATEMENT OF INDIRECT COST RATES for the year ended June 30, 2006

	<b>Budget</b>	<b>Actual</b>
Indirect costs:		
Personnel	\$ 468,470	\$ 462,209
Fringe Benefits	255,244	217,245
Auto Allowance	-	6,300
Travel and Professional Development	26,000	18,047
Memberships	20,000	15,794
Meetings	13,000	119
Printing	5,000	1,149
Repairs and Maintenance	25,000	14,612
Equipment Lease	13,000	-
Office Supplies	70,000	50,748
Postage	25,000	12,884
Rent	447,560	436,862
Telephone	16,000	11,849
Subscriptions	2,000	642
Legal and Audit	80,000	58,662
Reproduction	13,000	10,180
Insurance	21,000	23,116
Professional Services	66,000	44,747
Advertising	6,000	1,806
Depreciation & Loss on Disposal of Assets	40,000	32,905
Payroll Processing	4,500	3,898
Internet	7,560	6,425
Web Site Management	5,000	-
Retirement Plan Admin & Education Fees	6,000	2,725
Other	5,000	852
Interest - Capital Lease	1,500	67
Prior Period Adjustment (Note 9)	-	(14,497)
Total indirect costs	\$ 1,641,834	\$ 1,419,346
Allocation base: Direct personnel	\$ 1,420,794	\$ 1,308,157
Indirect cost rate applied	<u>115.56%</u>	<u>108.50%</u>

**Notes:**

1. Approval of the provisional indirect cost rate for the year ended June 30, 2006 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 115.56 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 2006 for grant application purposes. The final 2006 indirect cost rate was applied for financial statement purposes and for determining the final grant amounts claimed.
5. Expenses in the Statement of Revenues, Expenditures and Change in Fund Net Assets reflect the application of actual rates. Individual program costs presented on pages 22 to 42 reflect the provisional rates adjusted to actual.

# STATEMENTS OF CUMULATIVE REVENUES AND EXPENDITURES

## COMPLETED PROGRAMS

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**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**FHWA/ODOT/KYTC**  
**FY 2005 TRANSPORTATION PLANNING**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2005</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
<b>Revenues:</b>				
Federal and state				
Ohio: ODOT (CPG funds)	\$ 1,836,874	\$ 1,652,727	\$ 183,703	\$ 1,836,430
Kentucky: KYTC (CPG-PL funds)	311,565	284,481	25,994	310,475
Kentucky: KYTC (FTA Funds)	83,261	76,827	6,132	82,959
Local Matching Funds	280,875	253,724	28,984	282,708
Total Revenues	<u>\$ 2,512,575</u>	<u>\$ 2,267,760</u>	<u>\$ 244,812</u>	<u>\$ 2,512,572</u>
<b>Expenditures:</b>				
Direct Personnel	\$ 851,558	\$ 770,707	\$ 58,904	\$ 829,610
Fringe Benefits	438,341	398,485	32,093	430,579
Indirect	973,437	872,447	68,068	940,515
Travel, subsistence & professional development	-	25,192	7,793	32,985
Printing, marketing & contractual	-	132,260	72,294	204,555
Other Expenditures	249,239	68,668	5,661	74,329
Total Expenditures	<u>\$ 2,512,575</u>	<u>\$ 2,267,760</u>	<u>\$ 244,812</u>	<u>\$ 2,512,572</u>
<b>Tasks:</b>				
Short range planning	\$ 344,070	\$ 344,070	\$ -	\$ 344,070
Surveillance	1,131,930	1,019,929	151,006	1,170,935
Surveillance	100,000	69,704	30,295	99,999
Long range planning	662,954	591,194	51,856	643,050
Public Involvement	105,000	78,641	9,681	88,322
Western trans study plan	36,651	36,642	-	36,642
Strengthening trans land use	30,653	30,653	-	30,653
Kentucky exclusive - Boone County	41,317	41,906	-	41,906
Air quality program	60,000	55,019	1,974	56,993
Total Tasks	<u>\$ 2,512,575</u>	<u>\$ 2,267,760</u>	<u>\$ 244,812</u>	<u>2,512,572</u>

**NOTES:**

1. The grant period for FY 2005 Transportation Planning was July 1, 2004 through September 30, 2005.
2. FHWA/ODOT/KYTC funds are received under agreements for continuation of a transportation planning process with ODOT and KYTC. Revenues were received and expenditures incurred in accordance with a UPWP
3. In accordance with the agreement, Federal and State grant funds do not exceed the matching requirements established in the FY 2005 overall work program.
4. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**FHWA/ODOT/KYTC**  
**FY 2005 SURFACE TRANSPORTATION PROGRAM (STP)**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2005</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
<b>Revenues:</b>				
Federal and state				
Ohio: ODOT (STP)	\$ 299,999	\$ 265,726	\$ 34,274	\$ 300,000
Kentucky: (SNK Funds)	47,851	42,384	5,136	47,520
Local Matching Funds	11,965	10,598	1,696	12,295
Total Revenues	<u>\$ 359,815</u>	<u>\$ 318,708</u>	<u>\$ 41,107</u>	<u>\$ 359,815</u>
<b>Expenditures:</b>				
Direct Personnel	\$ 126,974	\$ 113,147	\$ 15,014	\$ 128,161
Fringe Benefits	65,360	58,503	8,180	66,683
Indirect	145,148	128,077	17,350	145,427
Travel, subsistence & professional development	-	534	-	534
Printing, marketing & contractual	-	9,660	501	10,161
Other Expenditures	22,333	8,787	61	8,848
Total Expenditures	<u>\$ 359,815</u>	<u>\$ 318,708</u>	<u>\$ 41,107</u>	<u>\$ 359,815</u>
<b>Tasks:</b>				
Transportation Improvement	\$ 116,380	\$ 116,379	\$ -	\$ 116,379
Land Use Planning	243,435	202,329	41,107	243,436
Total Tasks	<u>\$ 359,815</u>	<u>\$ 318,708</u>	<u>\$ 41,107</u>	<u>\$ 359,815</u>

**NOTES:**

1. The grant for the Surface Transportation Program agreement began July 1, 2004.
2. FHWA/ODOT STP/KYTC SNK funds were received under agreements for specified long range planning activities. Revenues were received and expenditures incurred in accordance with a UPWP approved each fiscal year.
3. This program is funded with STP funds at a rate of 100 percent for Ohio share. Kentucky SNK funds are 80 percent Federal and 20 percent local match.
4. As of June 30, 2006, no costs subject to audit have been questioned

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**SOUTHWEST WARREN COUNTY CORRIDOR STUDY**  
**as of June 30, 2006**

	<b>Budget</b>	<b>Cumulative Revenues and Expenditures as of June 30, 2005</b>	<b>Current Year Revenue and Expenditures</b>	<b>Cumulative Revenues and Expenditures as of June 30, 2006</b>
<b>Revenues:</b>				
Federal and state				
Ohio:	\$ 800,000	\$ 662,603	\$ 136,619	\$ 799,222
Local Matching Funds	200,000	165,651	34,154	199,805
Total Revenues	<u>\$ 1,000,000</u>	<u>\$ 828,254</u>	<u>\$ 170,773</u>	<u>\$ 999,026</u>
<b>Expenditures:</b>				
Direct Personnel	\$ 75,000	\$ 79,608	\$ 19,876	\$ 99,485
Fringe Benefits	37,500	41,097	9,348	50,445
Indirect	78,750	89,689	21,566	111,255
Travel, subsistence & professional development	500	477	100	577
Printing, marketing & contractual	800,000	616,750	119,857	736,607
Other Expenditures	8,250	631	27	659
Total Expenditures	<u>\$ 1,000,000</u>	<u>\$ 828,252</u>	<u>\$ 170,775</u>	<u>\$ 999,027</u>
<b>Task:</b>				
Warren County Corridor Study	<u>\$ 1,000,000</u>	<u>\$ 828,252</u>	<u>\$ 170,775</u>	<u>\$ 999,027</u>

**NOTES:**

1. The grant for the Southwest Warren County Transportation Study began July 1, 2003.
2. The program is funded with STP funds from the State of Ohio at a rate of 80 percent.
3. Local match was provided under separate contract by Warren County.
4. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**FHWA/ODOT/KYTC**  
**FY 2005 RIDESHARE/OZONE**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2005</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
<b>Revenues:</b>				
Federal and state				
Ohio:	\$ 335,797	\$ 329,704	\$ 6,094	\$ 335,798
Ohio: Ozone CMAQ	256,173	75,552	180,620	256,172
Kentucky:	53,562	52,590	972	53,562
Kentucky: Ozone SNK	40,862	12,051	28,811	40,862
Local Revenue	10,215	3,013	7,203	10,216
Local Matching Funds	13,391	13,146	243	13,389
Total Revenues	<u>\$ 710,000</u>	<u>\$ 486,057</u>	<u>\$ 223,943</u>	<u>\$ 710,000</u>
<b>Expenditures:</b>				
Direct Personnel				
Fringe Benefits	\$ 105,597	\$ 27,272	\$ 7,369	\$ 34,641
Indirect	54,356	14,099	4,015	18,114
Travel, subsistence & professional development	120,713	30,882	8,516	39,398
Printing, marketing & contractual	-	1,483	298	1,780
Other Expenditures	-	404,570	203,657	608,227
	429,334	7,751	88	7,839
Total Expenditures	<u>710,000</u>	<u>486,057</u>	<u>223,943</u>	<u>710,000</u>
<b>Tasks:</b>				
Ozone	\$ 402,750	\$ 395,441	\$ 216,634	612,075
Marketing	307,250	90,616	7,309	97,925
Total Tasks	<u>\$ 710,000</u>	<u>\$ 486,057</u>	<u>\$ 223,943</u>	<u>\$ 710,000</u>

**NOTES:**

1. State grants and contracts consist of the following (all costs were incurred after the effective dates):
  - a. ODOT agreement for the period July 1, 2004 through September 30, 2005 for \$591,970 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent.
  - b. UPWP KYTC funds for the period July 1, 2004 through September 30, 2005 for \$94,424 in KYTC/SNK reimbursed to OKI at a participation rate of 80 percent from FY03-05 funding agreement.
2. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**COMPREHENSIVE REGIONAL IMPACT STUDY**  
as of June 30, 2006

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2005</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
Revenues:				
Federal and state				
Ohio:	\$ 300,000	\$ 199,794	\$ 98,174	\$ 297,968
Total Revenues	<u>\$ 300,000</u>	<u>\$ 199,794</u>	<u>\$ 98,174</u>	<u>\$ 297,968</u>
Expenditures:				
Direct Personnel	\$ 106,525	\$ 68,093	\$ 38,399	\$ 106,493
Fringe Benefits	56,725	34,904	18,059	52,962
Indirect	136,750	79,436	41,663	121,099
Travel, subsistence & professional development	-	248	32	280
Printing, marketing & contractual	-	17,025	-	17,025
Other Expenditures	-	89	21	110
Total Expenditures	<u>\$ 300,000</u>	<u>\$ 199,795</u>	<u>\$ 98,174</u>	<u>\$ 297,969</u>
Task:				
Comprehensive Regional Impact Study	<u>\$ 300,000</u>	<u>\$ 199,795</u>	<u>\$ 98,174</u>	<u>\$ 297,969</u>

**NOTES:**

1. The grant period for the Comprehensive Regional Impact Study began July 1, 2003.
2. TCSP funds are received under an agreement for the Comprehensive Regional Impact Study. Revenues were received and expenditures incurred in accordance with a UPWP approval each fiscal year.
3. In accordance with the Federal grant, revenues do not exceed 100% of expenditures incurred.
4. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**TRENTON COMPREHENSIVE PLAN**  
**as of June 30, 2006**

	<b>Budget</b>	<b>Cumulative Revenues and Expenditures as of June 30, 2005</b>	<b>Current Year Revenue and Expenditures</b>	<b>Cumulative Revenues and Expenditures as of June 30, 2006</b>
<b>Revenues:</b>				
Local Revenue	\$ 50,000	\$ 31,589	\$ 18,411	\$ 50,000
Total Revenues	<u>50,000</u>	<u>31,589</u>	<u>18,411</u>	<u>50,000</u>
<b>Expenditures:</b>				
Direct Personnel	\$ 15,397	\$ 11,743	\$ 6,810	\$ 18,554
Fringe Benefits	7,926	6,071	3,203	9,274
Indirect	17,601	13,298	7,389	20,687
Travel, subsistence & professional development	1,000	24	-	24
Printing, marketing & contractual	5,136	-	988	988
Other Expenditures	2,940	453	21	473
Total Expenditures	<u>\$ 50,000</u>	<u>\$ 31,589</u>	<u>\$ 18,411</u>	<u>\$ 50,000</u>
<b>Task:</b>				
Local Regional Planning	<u>\$ 50,000</u>	<u>\$ 31,589</u>	<u>\$ 18,411</u>	<u>\$ 50,000</u>

**NOTES:**

1. The Contract for Trenton Comprehensive Plan began June 19, 2004.
2. This grant is 100 percent locally funded by separate agreement with City of Trenton, Ohio.
3. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES  
FY 2006 WATER QUALITY PLANNING - STATE 604B CONTRACT (OHIO)  
as of June 30, 2006**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
Revenues:			
Federal and state			
Ohio: OEPA (EPA Funds)	\$ 40,850	\$ 40,850	\$ 40,850
Local Matching Funds	<u>27,233</u>	<u>27,385</u>	<u>27,385</u>
Total Revenues	<u>68,083</u>	<u>68,235</u>	<u>68,235</u>
Expenditures:			
Direct Personnel	\$ 23,857	\$ 24,649	\$ 24,649
Fringe Benefits	12,903	11,592	11,592
Indirect	27,836	26,744	26,744
Travel, subsistence & professional development	1,600	602	602
Printing, marketing & contractual	-	131	131
Other Expenditures	<u>1,887</u>	<u>4,516</u>	<u>4,516</u>
Total Expenditures	<u>\$ 68,083</u>	<u>\$ 68,235</u>	<u>\$ 68,235</u>
Task:			
Program coordination	<u>\$ 68,083</u>	<u>\$ 68,235</u>	<u>\$ 68,235</u>

**NOTES:**

1. The grant period under the OEPA FY 2006 State 604B Contract is August 22, 2005 to June 30, 2006. This grant agreement provides for state revenues to be earned on adequate completion of products rather than cost reimbursement.
2. In accordance with the State OEPA contract, state grant revenues were not to exceed \$40,850 as set forth in the grant budget and the local matching funds of \$27,385 would be provided by OKI.
3. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**LOCAL REGIONAL PLANNING**  
**as of June 30, 2006**

	<b>Budget</b>	<b>Current Year Revenue and Expenditures</b>	<b>Cumulative Revenues and Expenditures as of June 30, 2006</b>
<b>Revenues:</b>			
Local Revenue	\$ 105,000	\$ 81,387	\$ 81,387
Total Revenues	105,000	81,387	81,387
<b>Expenditures:</b>			
Direct Personnel	\$ 37,457	\$ 30,911	\$ 30,911
Fringe Benefits	20,409	14,537	14,537
Indirect	43,284	33,538	33,538
Travel, subsistence & professional development	-	141	141
Printing, marketing & contractual	-	12	12
Other Expenditures	3,850	2,249	2,249
Total Expenditures	\$ 105,000	\$ 81,387	\$ 81,387
<b>Task:</b>			
Local Regional Planning	\$ 105,000	\$ 81,387	\$ 81,387

**NOTES:**

1. The grant period for the Local Comprehensive Regional Planning Program was July 1, 2005 to June 30, 2006.
2. Budget amounts were derived from FY 2006 Overall Agency Budget.
3. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**LOCAL WATER QUALITY PLANNING PROJECT - 2006**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
Revenues:			
Local Revenue	\$ 43,000	\$ 39,928	\$ 39,928
Total Revenues	<u>43,000</u>	<u>39,928</u>	<u>39,928</u>
Expenditures:			
Direct Personnel	\$ 14,880	\$ 13,268	\$ 13,268
Fringe Benefits	8,047	6,240	6,240
Indirect	17,362	14,395	14,395
Travel, subsistence & professional development	2,671	619	619
Printing, marketing & contractual	-	58	58
Other Expenditures	40	5,349	5,349
Total Expenditures	<u>\$ 43,000</u>	<u>\$ 39,928</u>	<u>\$ 39,928</u>
Task:			
Local water quality planning	<u>\$ 43,000</u>	<u>\$ 39,928</u>	<u>\$ 39,928</u>

**NOTES:**

1. Budget amounts were derived from fiscal 2006 overall agency budget.
2. As of June 30, 2006, no costs subject to audit have been questioned.

# STATEMENTS OF CUMULATIVE REVENUES AND EXPENDITURES

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**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**FHWA/ODOT/KYTC/INDOT**  
**FY 2006 TRANSPORTATION PLANNING**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
<b>Revenues:</b>			
Federal and state			
Ohio: ODOT (CPG Funds)	\$ 2,189,316	\$ 1,461,708	\$ 1,461,708
Kentucky: KYTC (CPG-PL Funds)	359,479	272,836	272,836
Kentucky: KYTC (FTA Funds)	100,347	76,162	76,162
Indiana: (Trans PL Funds)	10,219	5,261	5,261
Local Matching Funds	331,782	218,909	218,909
In-kind funds	-	12,004	12,004
Total Revenues	<u>\$ 2,991,143</u>	<u>\$ 2,046,880</u>	<u>\$ 2,046,880</u>
<b>Expenditures:</b>			
Direct Personnel	\$ 933,468	\$ 750,625	\$ 750,625
Fringe Benefits	508,595	348,617	348,617
Indirect	1,078,690	810,269	810,269
Travel, subsistence & professional development	-	20,962	20,962
Printing, marketing & contractual	470,390	84,267	84,267
Other Expenditures	-	32,140	32,140
Total Expenditures	<u>\$ 2,991,143</u>	<u>\$ 2,046,880</u>	<u>\$ 2,046,880</u>
<b>Tasks:</b>			
Short range planning	\$ 402,000	\$ 333,089	\$ 333,089
Surveillance	1,228,758	966,462	966,462
Traffic Counts Combined	315,946	-	-
Traffic Counts Ohio Only	125,000	38,219	38,219
Long range planning	627,000	458,595	458,595
Public Involvement	85,000	68,200	68,200
INDOT Exclusive	10,219	6,576	6,576
KYTC Exclusive	121,220	122,635	122,635
Transportation Summary	10,000	9,962	9,962
Air quality program	66,000	43,142	43,142
Total Tasks	<u>\$ 2,991,143</u>	<u>\$ 2,046,880</u>	<u>\$ 2,046,880</u>

**NOTES:**

1. The grant period for FY 2006 Transportation Planning was July 1, 2005 through October 31, 2006.
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. In accordance with the agreement, Federal and State grant funds do not exceed the matching requirements established in the FY 2006 UPWP.
4. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**FHWA/ODOT/KYTC/INDOT**  
**FY 2006 SURFACE TRANSPORTATION PROGRAM (STP)**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
<b>Revenues:</b>			
Federal and state			
Ohio: ODOT (STP)	\$ 300,000	\$ 291,654	\$ 291,654
Kentucky: (SNK)	44,424	43,188	43,188
Indiana: (STP)	16,000	7,362	7,362
Local Matching Funds	<u>15,106</u>	<u>12,637</u>	<u>12,637</u>
Total Revenues	<u>\$ 375,530</u>	<u>\$ 354,841</u>	<u>\$ 354,841</u>
<b>Expenditures:</b>			
Direct Personnel	\$ 128,043	\$ 130,039	\$ 130,039
Fringe Benefits	69,763	60,037	60,037
Indirect	147,963	140,033	140,033
Travel, subsistence & professional development	-	4,391	4,391
Printing, marketing & contractual	29,761	9,545	9,545
Other Expenditures	<u>-</u>	<u>10,796</u>	<u>10,796</u>
Total Expenditures	<u>\$ 375,530</u>	<u>\$ 354,841</u>	<u>\$ 354,841</u>
<b>Tasks:</b>			
Transportation Improvement	\$ 125,530	\$ 129,500	\$ 129,500
Land Use Planning	230,000	216,138	216,138
INDOT (STP)	<u>20,000</u>	<u>9,203</u>	<u>9,203</u>
Total Tasks	<u>\$ 375,530</u>	<u>\$ 354,841</u>	<u>\$ 354,841</u>

**NOTES:**

1. The grant for the Surface Transportation Program agreement began July 1, 2005 through October 31, 2006.
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, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**FHWA/ODOT/KYTC**  
**FY 2006 OZONE**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
Revenues			
Federal and state			
Ohio: ODOT/CMAQ	\$ 717,239	\$ 369,409	\$ 369,409
Kentucky: SNK	106,209	54,702	54,702
Local Matching Funds	<u>26,552</u>	<u>13,675</u>	<u>13,675</u>
Total Revenues	<u>\$ 850,000</u>	<u>\$ 437,786</u>	<u>\$ 437,786</u>
Expenditures			
Direct Personnel	\$ 85,913	\$ 54,990	\$ 54,990
Fringe Benefits	46,808	25,312	25,312
Indirect	99,279	59,144	59,144
Travel, subsistence & professional development		472	472
Printing, marketing & contractual	618,000	293,937	293,937
Other Expenditures	<u>-</u>	<u>3,931</u>	<u>3,931</u>
Total Expenditures	<u>\$ 850,000</u>	<u>\$ 437,786</u>	<u>\$ 437,786</u>
Task:			
Ozone awareness program	<u>\$ 850,000</u>	<u>\$ 437,786</u>	<u>\$ 437,786</u>

**NOTES:**

1. State grants and contracts consist of the following (all costs were incurred after the effective dates):
  - a. ODOT agreement for the period July 1, 2005 through October 31, 2006 for \$717,239 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent.
  - b. UPWP KYTC funding for the period July 1, 2005 through October 31, 2006 for \$106,209 in KYTC/SNK reimbursed to OKI at a participation rate of 80 percent from FY03-05 funding agreement.
2. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS  
STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES  
FHWA/ODOT/KYTC  
FY 2006 RIDESHARE  
as of June 30, 2006**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
<b>Revenues:</b>			
Federal and state			
Ohio:	\$ 253,143	\$ 213,951	\$ 213,951
Kentucky: Ozone SNK	37,486	31,682	31,682
Local Revenue	<u>9,371</u>	<u>7,920</u>	<u>7,920</u>
Total Revenues	<u>\$ 300,000</u>	<u>\$ 253,552</u>	<u>\$ 253,552</u>
<b>Expenditures:</b>			
Direct Personnel	\$ 35,180	\$ 21,559	\$ 21,559
Fringe Benefits	19,168	10,139	10,139
Indirect	40,652	23,391	23,391
Travel, subsistence & professional development	-	216	216
Printing, marketing & contractual	205,000	195,012	195,012
Other Expenditures	<u>-</u>	<u>3,235</u>	<u>3,235</u>
Total Expenditures	<u>\$ 300,000</u>	<u>\$ 253,552</u>	<u>\$ 253,552</u>
<b>Tasks:</b>			
Marketing	<u>\$ 300,000</u>	<u>\$ 253,552</u>	<u>\$ 253,552</u>

**NOTES:**

1. State grants and contracts consist of the following (all costs were incurred after the effective dates):
  - a. ODOT agreement for the period July 1, 2005 through October 31, 2006 for \$253,143 in ODOT/CMAQ reimbursed to OKI at a participation rate of 100 percent.
  - b. UPWP KYTC agreement for the period July 1, 2005 through October 31, 2006 for \$37,486 in KYTC/SNK reimbursed to OKI at a participation rate of 80 percent from FY03-05 finding agreement.
2. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**WESTERN HAMILTON COUNTY CORRIDOR STUDY**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2005</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
Revenues:				
Federal and state				
Ohio:	\$ 762,500	\$ 26,815	\$ 338,817	\$ 365,632
Total Revenues	<u>\$ 762,500</u>	<u>\$ 26,815</u>	<u>\$ 338,817</u>	<u>\$ 365,632</u>
Expenditures:				
Direct Personnel	\$ 92,984	\$ 7,793	\$ 45,721	\$ 53,514
Fringe Benefits	47,864	4,029	21,502	25,531
Indirect	106,292	8,825	49,607	58,432
Travel, subsistence & professional development	515,360	7	422	429
Printing, marketing & contractual	-	5,298	215,170	220,468
Other Expenditures	-	865	6,395	7,260
Total Expenditures	<u>\$ 762,500</u>	<u>\$ 26,817</u>	<u>\$ 338,818</u>	<u>\$ 365,634</u>
Task:				
Western Hamilton County Corridor Study	<u>\$ 762,500</u>	<u>\$ 26,817</u>	<u>\$ 338,817</u>	<u>\$ 365,634</u>

**NOTES:**

1. Funding provided is by congressional earmark issued August 7, 2003
2. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**UPTOWN TRANSPORTATION STUDY**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2005</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
<b>Revenues</b>				
Federal and state				
Ohio: STP	\$ 500,000	\$ 468,256	\$ 31,744	\$ 500,000
Local				
Local: STP	125,000	117,064	7,936	125,000
Local Match	1,250,000	21,035	902,713	923,748
Contributed Services	100,000	-	47,100	47,100
Total Revenues	<u>\$ 1,975,000</u>	<u>\$ 606,355</u>	<u>\$ 989,493</u>	<u>\$ 1,595,848</u>
<b>Expenditures</b>				
Direct Personnel	\$ 172,176	\$ 64,792	\$ 59,302	\$ 124,094
Fringe Benefits	92,598	33,477	27,889	61,366
Indirect	198,550	73,157	64,342	137,499
Travel, subsistence & professional development	230	127	107	234
Printing, marketing & contractual	1,401,142	431,380	833,292	1,264,672
Other Expenditures	10,304	3,422	4,561	7,983
Contributed Services	100,000	-	-	-
Total Expenditures	<u>\$ 1,975,000</u>	<u>\$ 606,355</u>	<u>\$ 989,493</u>	<u>\$ 1,595,848</u>
Task:				
Uptown Transportation Study	<u>\$ 1,975,000</u>	<u>\$ 606,355</u>	<u>\$ 989,493</u>	<u>\$ 1,595,848</u>

**NOTES:**

1. The grant for the Uptown Transportation Study began July 1, 2003.
2. STP funds are received under an agreement for the Uptown Transportation major investment study. Revenues were received and expenditures incurred in accordance with a UPWP approved each fiscal year.
3. In accordance with the STP Federal grant, revenues do not exceed 80 percent of expenditures incurred.
4. Local match for this project provided by SORTA, Uptown Consortium, City of Cincinnati, and the AMOS Group
5. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**I-471 TRANSPORTATION STUDY**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
Revenues:			
Federal and state			
Kentucky:	\$ 750,000	\$ 693	\$ 693
Total Revenues	<u>\$ 750,000</u>	<u>\$ 693</u>	<u>\$ 693</u>
Expenditures:			
Direct Personnel	\$ 53,702	\$ 271	\$ 271
Fringe Benefits	29,260	127	127
Indirect	62,057	294	294
Travel, subsistence & professional development	-	-	-
Printing, marketing & contractual	604,981	-	-
Other Expenditures	-	-	-
Total Expenditures	<u>\$ 750,000</u>	<u>\$ 693</u>	<u>\$ 693</u>
Task:			
I-471 Transportation Study	<u>\$ 750,000</u>	<u>\$ 693</u>	<u>\$ 693</u>

**NOTES:**

1. The grant for the I-471 Corridor Study began May 30, 2006.
2. CMAQ funds from Kentucky Transportation Cabinet are reimbursed at 100 percent.
3. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**DEARBORN COUNTY US-50 STUDY**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
Revenues:			
Local Funds	\$ 400,000	\$ 115,335	\$ 115,335
Total Revenues	<u>\$ 400,000</u>	<u>\$ 115,335</u>	<u>\$ 115,335</u>
Expenditures:			
Direct Personnel	\$ 12,487	\$ 4,462	\$ 4,462
Fringe Benefits	6,854	2,099	2,099
Indirect	14,444	4,841	4,841
Travel, subsistence & professional development	1,200	68	68
Printing, marketing & contractual	362,000	102,713	102,713
Other Expenditures	<u>3,015</u>	<u>1,152</u>	<u>1,152</u>
Total Expenditures	<u>\$ 400,000</u>	<u>\$ 115,335</u>	<u>\$ 115,335</u>
Task:			
Program coordination	<u>\$ 400,000</u>	<u>\$ 115,335</u>	<u>\$ 115,335</u>

**NOTES:**

1. The Dearborn County US-50 Study began September 19, 2005.
2. Funding is provided by Dearborn County at 100 percent.
3. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**ODOT/STP**  
**HAMILTON COUNTY TID**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2005</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
Revenues:				
Federal and state				
Ohio:	\$ 400,000	\$ 130,944	\$ -	\$ 130,944
Total Revenues	<u>\$ 400,000</u>	<u>\$ 130,944</u>	<u>\$ -</u>	<u>\$ 130,944</u>
Expenditures:				
Direct Personnel	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-	-
Indirect	-	-	-	-
Travel, subsistence & professional development	-	-	-	-
Printing, marketing & contractual	400,000	130,944	-	130,944
Other Expenditures	-	-	-	-
Total Expenditures	<u>\$ 400,000</u>	<u>\$ 130,944</u>	<u>\$ -</u>	<u>\$ 130,944</u>
Task:				
Warren County Corridor Study	<u>\$ 400,000</u>	<u>\$ 130,944</u>	<u>\$ -</u>	<u>\$ 130,944</u>

**NOTES:**

1. The grant for the Hamilton County TID began July 1, 2002.
2. STP/ODOT funds are received under an agreement with the Ohio Department of Transportation. Revenues were received and expenditures incurred in accordance with a UPWP approved each fiscal year.
3. As of June 30, 2006, no costs subject to audit have been questioned,

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**GREAT MIAMI RUNOFF REDUCTION**  
**as of June 30, 2006**

	<u>Budget</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2005</u>	<u>Current Year Revenue and Expenditures</u>	<u>Cumulative Revenues and Expenditures as of June 30, 2006</u>
Revenues:				
Federal & State				
Ohio:	\$ 65,000	\$ 16,824	\$ 39,616	\$ 56,439
Local Revenues	-	432	461	893
Local Matching Funds	<u>33,000</u>	<u>10,930</u>	<u>25,616</u>	<u>36,546</u>
Total Revenues	<u>\$ 98,000</u>	<u>\$ 28,186</u>	<u>\$ 65,693</u>	<u>\$ 93,878</u>
Expenditures:				
Direct Personnel	\$ 11,290	2,970	1,356	4,325
Fringe Benefits	2,710	1,535	638	2,173
Indirect	-	3,363	1,471	4,834
Travel, subsistence & professional development	324	91	85	176
Printing, marketing & contractual	76,516	8,956	59,666	68,622
Other Expenditures	<u>7,160</u>	<u>11,271</u>	<u>2,478</u>	<u>13,749</u>
Total Expenditures	<u>\$ 98,000</u>	<u>\$ 28,186</u>	<u>\$ 65,693</u>	<u>\$ 93,879</u>
Task:				
Great Miami Watershed	<u>\$ 98,000</u>	<u>\$ 28,186</u>	<u>\$ 65,693</u>	<u>\$ 93,879</u>

**NOTES:**

1. Ohio EPA 319 funds are received under an agreement for the Great Miami Runoff Reduction Program which began May 10, 2004 under separate agreement with the Miami Conservatory District.
2. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**FY 2006 WATER QUALITY PLANNING - DRINKING WATER**  
**as of June 30, 2006**

	<b>Budget</b>	<b>Current Year Revenue and Expenditures</b>	<b>Cumulative Revenues and Expenditures as of June 30, 2006</b>
<b>Revenues:</b>			
Federal and state			
Ohio: OEPA (EPA Funds)	\$ 69,020	\$ 19,830	\$ 19,830
Local Matching Funds	-	413	413
In-kind	49,980	16,451	16,451
<b>Total Revenues</b>	<b><u>\$ 119,000</u></b>	<b><u>\$ 36,694</u></b>	<b><u>\$ 36,694</u></b>
<b>Expenditures:</b>			
Direct Personnel	\$ 9,258	\$ 6,148	\$ 6,148
Fringe Benefits	5,044	2,891	2,891
Indirect	10,698	6,670	6,670
Travel, subsistence & professional development	1,000	289	289
Printing, marketing & contractual	92,700	16,451	16,451
Other Expenditures	300	4,244	4,244
<b>Total Expenditures</b>	<b><u>\$ 119,000</u></b>	<b><u>\$ 36,694</u></b>	<b><u>\$ 36,694</u></b>
<b>Task:</b>			
State 319 Drinking Water	<b><u>\$ 119,000</u></b>	<b><u>\$ 36,694</u></b>	<b><u>\$ 36,694</u></b>

**NOTES:**

1. Ohio EPA 319 funds are received under an agreement for Expanded Drinking Water Source Protection in the Lower Great Miami Watershed which began September 30, 2005.
2. As of June 30, 2006, no costs subject to audit have been questioned.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**STATEMENT OF CUMULATIVE REVENUES AND EXPENDITURES**  
**FY 2006 WATER QUALITY PLANNING - MILLCREEK HEADWATERS**  
**as of June 30, 2006**

	<b>Budget</b>	<b>Current Year Revenue and Expenditures</b>	<b>Cumulative Revenues and Expenditures as of June 30, 2006</b>
Revenues:			
Federal and state			
Ohio: OEPA (EPA Funds)	\$ 498,010	\$ 19,893	\$ 19,893
Local Matching Funds	-	364	364
In-kind	472,600	10,275	10,275
Total Revenues	\$ 970,610	\$ 30,532	\$ 30,532
Expenditures:			
Direct Personnel	\$ 33,333	\$ 7,785	\$ 7,785
Fringe Benefits	18,150	3,661	3,661
Indirect	38,517	8,447	8,447
Travel, subsistence & professional development	4,200	280	280
Printing, marketing & contractual	874,110	10,275	10,275
Other Expenditures	2,300	84	84
Total Expenditures	\$ 970,610	\$ 30,532	\$ 30,532
Task:			
State 319 Mill Creek Headwaters	\$ 970,610	\$ 30,532	\$ 30,532

**NOTES:**

1. Ohio EPA 319 funds are received under an agreement for the Mill Creek Headwaters TMDL Implementation Project which began December 19, 2005.
2. As of June 30, 2006, 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, 2006

<b>Federal Grantor/ Pass-through Grantor/ Program Title</b>	<b>CFDA Number</b>	<b>Federal Award Amount</b>	<b>Total Project Budget</b>	<b>Total Federal Expenditures for the year ended June 30, 2006</b>	<b>Cumulative Federal Expenditures as of June 30, 2006</b>
<b>FHWA Transportation Planning</b>					
<b>Passed through State Department of Transportation (Ohio, Kentucky &amp; Indiana)</b>					
<b>FHWA Highway Planning</b>					
FY 2005 Transportation Planning	20.205	\$ 2,231,700	\$ 2,512,575	\$ 215,829	\$ 2,229,865
FY 2006 Transportation Planning	20.205	2,659,361	2,991,143	1,815,967	1,815,967
FY 2005 Surface Transportation Program	20.205	347,850	359,815	39,410	347,520
FY 2006 Surface Transportation Program	20.205	360,424	375,530	342,204	342,204
Ozone Awareness Program - 2006	20.205	823,448	850,000	424,111	424,111
Western Hamilton County Corridor Study	20.205	762,500	762,500	338,817	365,632
FY 2005 Project Rideshare	20.205	686,394	710,000	216,497	686,395
FY 2006 Project Rideshare	20.205	290,629	300,000	245,633	245,633
Comprehensive Regional Impact Study	20.205	300,000	300,000	98,174	297,968
Warren County Study	20.205	800,000	1,000,000	136,619	799,222
Uptown Transportation Study	20.205	500,000	2,100,000	31,744	500,000
I-471 Transportation Study	20.205	<u>750,000</u>	<u>750,000</u>	<u>693</u>	<u>693</u>
<b>Total FHWA Transportation Planning</b>		<u>10,512,306</u>	<u>13,011,563</u>	<u>3,905,698</u>	<u>8,055,210</u>
<b>U.S. Environmental Protection Agency</b>					
<b>Passed through State Environmental Protection Agency</b>					
Great Miami Run off Reduction Project	66.419	65,000	98,000	39,616	56,440
FY 2006 Drinking Water - Water Quality Planning Project	66.419	69,020	119,000	19,830	19,830
FY 2006 Millcreek Headwaters - Water Quality Planning Project	66.419	498,010	970,610	19,893	19,893
FY 2006 604B Water Quality Planning Project	66.419	<u>40,850</u>	<u>68,083</u>	<u>40,850</u>	<u>40,850</u>
<b>Total U.S. Environmental Protection Agency</b>		<u>672,880</u>	<u>1,255,693</u>	<u>120,189</u>	<u>137,013</u>
<b>TOTAL</b>		<u>\$ 11,185,186</u>	<u>\$ 14,267,256</u>	<u>\$ 4,025,887</u>	<u>\$ 8,192,223</u>

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**for the year ended June 30, 2006**

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



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

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

We have audited the financial statements of Ohio-Kentucky-Indiana Regional Council of Governments (OKI) as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. 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**

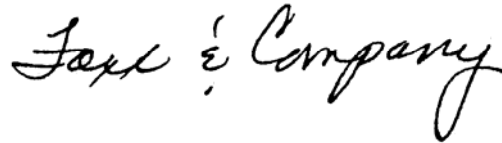
In planning and performing our audit, we considered OKI's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration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

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

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Cincinnati, Ohio  
October 6, 2006



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

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

**Compliance**

We have audited the compliance of Ohio-Kentucky-Indiana-Regional Council of Governments (OKI) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. OKI's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of OKI's management. Our responsibility is to express an opinion on OKI's compliance based on our audit.

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

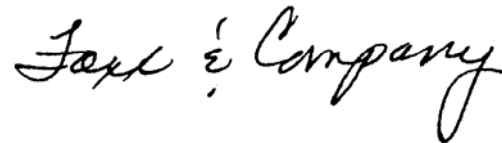
In our opinion OKI complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

## **Internal Control Over Compliance**

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

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

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

A handwritten signature in black ink that reads "Jaxx & Company". The signature is written in a cursive, flowing style.

Cincinnati, Ohio  
October 6, 2006

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2006**

**Section I - Summary of Auditor's Results**

**Financial Statements**

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

**Federal Awards**

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

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

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

**Section II - Financial Statement Findings**

No matters are reportable.

**Section III-Federal Award Findings and Questioned Costs**

No matters are reportable.

**OHIO-KENTUCKY-INDIANA REGIONAL COUNCIL OF GOVERNMENTS  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
June 30, 2006**

There were no prior audit findings or questioned costs relative to Federal awards for the audit of the Ohio-Kentucky-Indiana Regional Council of Government for the year ended June 30, 2005.