

**NORTHERN KENTUCKY AREA
DEVELOPMENT DISTRICT**

Year Ended June 30, 2011

*FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'
REPORTS INCLUDING SUPPLEMENTARY INFORMATION*



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Northern Kentucky Area Development District
Florence, Kentucky

We have audited the accompanying financial statements of the governmental activities each major fund, and the aggregate remaining fund information of the Northern Kentucky Area Development District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District's management. Our responsibility is to express opinions 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Kentucky Area Development District, as of June 30, 2011, and the respective changes in financial position, thereof for the year 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 January 26, 2012, on our consideration of the Northern Kentucky Area Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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 and budgetary comparison information on pages 3 through 6 and 21 through 22 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.

To the Board of Directors
Northern Kentucky Area Development District
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northern Kentucky Area Development District's financial statements as a whole. The statement of operations by grant, the statement of operations by program and the statement of allocated costs claimed are presented for purposes of additional analysis and are not a required part of the basic 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 statement of operations by grant, the statement of operations by program, the statement of allocated costs claimed 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.

VonLehman & Company Inc.

Fort Mitchell, Kentucky
January 26, 2012

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

Our discussion and analysis of Northern Kentucky Area Development District's (NKADD) financial performance provides an overview of its financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the NKADD's financial statements, which begins on page 7.

FINANCIAL HIGHLIGHTS

The total net assets serve over time as an indicator of an organization's financial position. In the case of the NKADD, assets exceeded liabilities by \$1,959,908. The beginning net assets were \$1,457,562. The unrestricted fund balance as of June 30, 2011 was \$1,593,109 compared to \$1,086,304 at the end of FY 2010.

The breakdown of the statement of net assets is as follows:

	<u>FY '11</u>	<u>FY '10</u>
Assets		
Current Assets	\$ 3,831,134	\$ 3,150,718
Non-Current Assets	<u>1,717,737</u>	<u>1,799,956</u>
Total	<u>\$ 5,548,871</u>	<u>\$ 4,950,674</u>
 Liabilities		
Current Liabilities	\$ 2,213,463	\$ 2,029,852
Non-Current Liabilities	<u>1,375,500</u>	<u>1,463,260</u>
Total	<u>\$ 3,588,963</u>	<u>\$ 3,493,112</u>
 Net Assets		
Investment in capital assets, net of related debt	\$ 41,522	\$ 26,122
Restricted Loan program	325,277	345,136
Unrestricted	<u>1,593,109</u>	<u>1,086,304</u>
Total	<u>\$ 1,959,908</u>	<u>\$ 1,457,562</u>

Total governmental funds revenue for the period ending June 30, 2011 was \$18,035,233. For the previous fiscal year, the total revenue was \$15,916,469. This results in a 13.3% increase in revenues. The increase was due to diligent efforts by NKADD to expand and grow the Consumer Directed Options Program and the Homelessness Prevention and Rapid Re-Housing Program. These are certainly tough times, but NKADD has actually been able to increase revenues 42% over the last two fiscal years. This has been a tremendous accomplishment by which revenue has increased in very tough times and services expanded.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011
(Continued)**

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 7 and 8) provide information about the activities of the NKADD as a whole and present a longer-term view of the NKADD's finances. Fund financial statements start on page 9. For governmental activities, these statements tell how the services were financed in the short term as well as what remains for future spending. Fund financial statements also report the NKADD's operations in more detail than the government-wide statements by providing information about the NKADD's most significant funds. The remaining statements provide detail financial information for the benefit of those outside of the government.

Reporting the NKADD as a Whole

Our analysis of the NKADD financial statements as a whole begins on page 7. One of the most important questions asked about the NKADD's finances is, "Is the NKADD as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the NKADD as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the NKADD's net assets and changes in them. You can think of the NKADD's net assets—the difference between assets and liabilities—as one way to measure the NKADD's financial health, or financial position. Over time, increases or decreases in the NKADD's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the NKADD's revenue base and the condition of the NKADD's facilities, to assess the overall health of the NKADD.

In the Statement of Net Assets and the Statement of Activities, we show the NKADD's one activity:

- Governmental activities—All of the NKADD's basic services are reported here, grant administration and general administration. State, local, and federal grants finance most of these activities.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011
(Continued)**

Reporting the NKADD's Most Significant Funds

Our analysis of the NKADD's major funds and the fund financial statements begin on page 9 and provide detailed information about the most significant funds—not the NKADD as a whole. All grant administration is considered in one major fund. However, the NKADD accounts for grants by separate work elements to help it control and manage money for particular purposes and to show that it is meeting legal responsibilities for using certain grants, and other money.

- Governmental funds – Most of the NKADD's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the NKADD's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the NKADD's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliations on pages 10 and 12.
- Special revenue funds – reports the activities of the revolving loan fund and Kentucky Housing Corporation (KHC) Economic Development Administration (EDA) loan program. These activities are reported in a separate column on the balance sheet on page 9 and on the statement of revenues, expenditures and changes of fund balances on page 11. We separate these activities from the NKADD's other activities because the NKADD cannot use these assets to finance its operations. The NKADD is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

NKADD AS A WHOLE

General Fund Budgetary Highlights

In Fiscal Year 2011, the NKADD had an initial total budget projected of \$15,408,652 in revenues and \$15,337,908 in expenditures, with net change in fund balance of \$70,744. Of these dollars \$10,000,000 was projected pass-thru. During Fiscal Year 2011, the budget was amended to decrease revenues to \$15,228,871 and expenditures to \$15,056,871. The actual revenues on the budgetary basis for Fiscal Year 2011 were \$17,272,348 and \$16,788,405 in actual expenditures. This increase in revenues has come from the expansion and growth of the Consumer Directed Options Program, increased revenues from other federal government programs, and increases in the Homelessness Prevention and Rapid Re-Housing Program.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011
(Continued)**

CAPITAL ASSETS

The capital assets of the NKADD are its office building, the land it sits upon, computer equipment and furnishings. The land has a historical cost of \$226,975 for both June 30, 2011 and June 30, 2010. This represents the only capital asset not depreciated. The office building has a historical cost of \$1,591,066 for both June 30, 2011 and June 30, 2010. The accumulated depreciation for the office building at June 30, 2011 was \$475,364 and at June 30, 2010 was \$427,271. The increase of \$48,093 was depreciation expense for fiscal year 2011. Computer equipment has a historical cost of \$736,478 for June 30, 2011 and \$713,854 for June 30, 2010. During the fiscal year there were additions to computer equipment for \$69,169 and disposals of \$46,545. Accumulated depreciation for computer equipment was \$671,001 at June 30, 2011 and \$665,046 at June 30, 2010. Accumulated depreciation for computer equipment increased for depreciation of \$52,500 and decreased for disposals of \$46,545. Furniture and fixtures have a historical cost of \$252,137 for June 30, 2011 and \$236,956 for June 30, 2010. During the fiscal year there were additions to furniture and fixtures for \$17,936 and disposals of \$2,755. The accumulated depreciation for furniture and fixtures was \$200,269 at June 30, 2011 and \$190,912 at June 30, 2010. Accumulated depreciation for furniture and fixtures increased for depreciation of \$12,112 and decreased for disposals of \$2,755.

DEBT ADMINISTRATION

Of the capital items, the land and office building are financed by long-term debt. This debt represents the only capital assets financed debt of the NKADD. The U.S. Department of Agriculture (USDA) financed these capital assets through Series 2001 bonds. The bonds were issued and designated Series A Bonds (\$1,200,000 at 5 1/8%) and Series B (\$550,000 at 5 1/8%). The unpaid balance was \$1,418,500 at June 30, 2011 and \$1,459,500 at June 30, 2010. The \$41,000 decrease represents the principal payment made during Fiscal Year 2011. The debt service total principal and interest for Fiscal Year 2012 will be \$114,703.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The NKADD budget and financial stability has long been connected to receipt of federal and state public dollars. As mentioned, NKADD has actually been able to increase revenues significantly over the last two fiscal years by securing additional grants and contracts. This increase in revenues has come from expansion and growth of the Consumer Directed Options Program, increased revenues from other federal government programs, and increases in the Homelessness Prevention and Rapid Re-Housing Program. For Fiscal Year 2012, budgeted revenues are \$17,611,662 and expenditures are \$17,585,968. The difference between Fiscal Year 2012 budgeted revenues and expenditures is \$25,694.

Rising retirement costs are a long-term financial issue for NKADD. The CERS (County Employees Retirement System) employer contribution rate for NKADD for Fiscal Year 2012 is 18.96%. This represents a 11.99% increase. In Fiscal Year 2013, the CERS rate will rise to 19.55%.

With respect to Fiscal Year 2012, the state budget may be subject to some amendment during the legislative session. General state revenues seem to have recovered somewhat from the economic downturn. The principal impact on the NKADD could be some change in the state Medicaid outlays as a result of efforts either to cut costs or shift Fiscal Year 2013 funds to this year because a higher federal reimbursement rate is available now and not next year. Changes should be relatively small.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011
(Continued)**

On the federal level, impacts could be greater for both the current year and Fiscal Year 2013 due to the condition of the budget and its debt. Proposals to reduce programs appear to have a greater chance of being implemented than in past years. Some of the reductions, if adopted, could impact programs of the NKADD, but at this point in the current year, where any decreases would fall is unknown.

The NKADD has been able to better position itself for emergencies. The unrestricted fund balance as of June 30, 2011 was \$1,593,109 compared to \$1,086,304 at the end of Fiscal Year 2010. While still low for an organization the size of NKADD, progress continues to be made on the objective of obtaining an adequate level.

CONTACTING NKADD'S FINANCIAL MANAGEMENT

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the NKADD's finances and to show the NKADD's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the NKADD Office at 22 Spiral Drive, Florence, KY 41042.

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF NET ASSETS
June 30, 2011

	<u>Primary Governmental</u>
ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 760,957
Cash - Building Reserve Account	110,160
Revenues Earned in Excess of Funds Received	2,846,908
Prepaid Expenses	46,518
Loans Receivable	<u>66,591</u>
Total current assets	<u>3,831,134</u>
Noncurrent Assets	
Loans Receivable	257,715
Capital assets, net	<u>1,460,022</u>
Total non-current assets	<u>1,717,737</u>
Total assets	<u><u>\$ 5,548,871</u></u>
 LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 1,581,125
Accrued Expenses	103,713
Funds Received In Excess of Revenues Earned	368,911
Employees Accrued Annual Leave	116,714
Current Portion of Notes Payable	<u>43,000</u>
Total Current Liabilities	2,213,463
Noncurrent Liabilities	
Notes Payable	<u>1,375,500</u>
Total Liabilities	<u><u>\$ 3,588,963</u></u>
 NET ASSETS	
Investment in Capital Assets, Net of Related Debt	\$ 41,522
Restricted for Loan Program	325,277
Unrestricted	<u>1,593,109</u>
Total Net Assets	<u><u>\$ 1,959,908</u></u>

The accompanying notes are an integral part of this statement.

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

	<u>Activity Grant Administration</u>
PROGRAM EXPENSES	
Governmental Activities	
CHFS - Other Sub-Grantees	\$ 6,079,291
WIA Sub-Grantees	3,271,129
Commodities	683,957
Supportive Housing Sub-Grantees	551,906
HPRP Sub-Grantees	705,044
Other Federal Contracts Sub-Grantees	177,779
Other State Contracts Sub-Grantees	153,034
Revolving Loans	3,122
Local contracts sub-grantees	31,832
Direct Salaries	2,808,007
Direct Employee Benefits	970,725
Direct Travel	170,753
Direct Contracts	104,407
Direct Other	583,990
Shared Expenses	1,058,108
Depreciation Expense	112,705
	17,465,789
PROGRAM REVENUES	
Federal and State Revenues	16,294,229
Federal Commodities	683,957
Local Revenue	836,264
Interest Income	12,189
	360,850
Net Program Income	
	360,850
GENERAL REVENUES	
Municipal Contributions	138,568
Interest Income	2,928
	141,496
Total General Revenues	
	141,496
Change in Net Assets	502,346
Net Assets - Beginning of Year	1,457,562
Net Assets - Ending	\$ 1,959,908

The accompanying notes are an integral part of this statement.

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	General	Special Revenue	Total Governmental Funds
ASSETS			
Current assets			
Cash and Cash Equivalents	\$ 760,957	\$ -	\$ 760,957
Cash - Building Reserve Account	110,160	-	110,160
Revenues Earned in Excess of Funds Received	2,846,908	-	2,846,908
Prepaid Expenses	46,518	-	46,518
Loans Receivable	-	324,306	324,306
Due from Other Funds	-	213,585	213,585
	Total Assets	\$ 537,891	\$ 4,302,434
	\$ 3,764,543	\$ 537,891	\$ 4,302,434
LIABILITIES AND FUNDS EQUITY			
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,581,125	\$ -	\$ 1,581,125
Accrued Expenses	103,713	-	103,713
Funds Received in Excess of Revenues Earned	208,017	160,894	368,911
Employees Accrued Annual Leave	116,714	-	116,714
Due to Other Funds	213,585	-	213,585
	Total Liabilities	160,894	2,384,048
	2,223,154	160,894	2,384,048
FUND BALANCES			
Non-Spendable			
Prepaid Expenses	46,518	-	46,518
Restricted			
Loan Program	-	325,277	325,277
Building Reserve	110,160	-	110,160
Assigned Working Capital	-	51,720	51,720
Unassigned	1,384,711	-	1,384,711
	Total Fund Balances	376,997	1,918,386
	1,541,389	376,997	1,918,386
	Total Liabilities and Fund Balances	\$ 537,891	\$ 4,302,434
	\$ 3,764,543	\$ 537,891	\$ 4,302,434

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
June 30, 2011**

Total Fund Balance - Governmental Funds \$ 1,918,386

***Amounts reported for governmental activities in the
statement of net assets are different because:***

Capital assets used in governmental activities are not
current financial resources and therefore are not reported in
the governmental funds balance sheet. 1,460,022

Long term liabilities are not due and payable in the current period and,
therefore, they are not reported in the governmental funds balance sheet. (1,418,500)

Net Assets of Governmental Activities \$ 1,959,908

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011**

	General	Special Revenue	Totals
REVENUES			
Applied to All Programs			
Federal and State Revenues	\$ 16,294,229	\$ 67,098	\$ 16,361,327
Federal Commodities	683,957	-	683,957
Interest Income	3,287	11,830	15,117
Local Revenues	974,832	-	974,832
Net Revenues	<u>17,956,305</u>	<u>78,928</u>	<u>18,035,233</u>
EXPENDITURES			
CHFS - Other Sub-Grantees	6,079,291	-	6,079,291
WIA Sub-Grantees	3,271,129	-	3,271,129
Commodities	683,957	-	683,957
Supportive Housing Sub-Grantees	551,906	-	551,906
HPRP Sub-Grantees	705,044	-	705,044
Other Federal Contracts Sub-Grantees	177,779	-	177,779
Other State Contracts Sub-Grantees	153,034	-	153,034
Local Contracts Sub-Grantees	31,832	-	31,832
Direct Salaries	2,802,335	5,672	2,808,007
Direct Employee Benefits	968,560	2,165	970,725
Direct Travel	170,439	314	170,753
Direct Contracts	104,331	76	104,407
Direct Other	585,399	51,993	637,392
Direct Local Non-Grant Expenses	53,526	-	53,526
Shared Expenses	1,133,800	2,491	1,136,291
Total Expenditures	<u>17,472,362</u>	<u>62,711</u>	<u>17,535,073</u>
Excess of Revenues	<u>483,943</u>	<u>16,217</u>	<u>500,160</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In/Out	16,217	(16,217)	-
Operating Sources In	48,093	50,362	98,455
Operating Uses Out	(41,448)	(70,221)	(111,669)
Net Other Financing Sources (Uses)	<u>22,862</u>	<u>(36,076)</u>	<u>(13,214)</u>
Net Change In Fund Balances	506,805	(19,859)	486,946
Fund Balances - Beginning of Year	<u>1,034,584</u>	<u>396,856</u>	<u>1,431,440</u>
Fund Balances - End of Year	<u><u>\$ 1,541,389</u></u>	<u><u>\$ 376,997</u></u>	<u><u>\$ 1,918,386</u></u>

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2011**

Net Change in Fund Balances - Total Government Funds \$ 486,946

**Amounts reported for governmental activities in the
statement of activities are different because:**

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$112,705) exceeded capital outlays and adjustments (\$87,105). (25,600)

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 41,000

Change in Net Assets of Governmental Activities \$ 502,346

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Northern Kentucky Area Development District (NKADD) is a non-profit public agency, functioning as an instrumentality of a political subdivision of the Commonwealth of Kentucky. NKADD operates under legislative authority which has as its primary purpose the promotion of economic development and the establishment of a framework for joint federal, state and local efforts directed toward providing basic services and facilities essential to the social, economic and physical development of the eight county area in Northern Kentucky. The accounting policies of NKADD conform to generally accepted accounting principles. The following is a summary of the more significant policies.

The NKADD's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the NKADD are discussed below.

- A. Basic Financial Statements – Government-Wide Statements:** The NKADD's basic financial statements include both government-wide (reporting the NKADD as a whole) and fund financial statements (reporting the NKADD's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The NKADD currently has no funds that are classified as business-type activities.

In the government-wide Statement of Net Assets, the governmental activities column is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The NKADD's net assets are reported in three parts – invested in capital assets, net of related debt, unrestricted net assets, and restricted net assets.

The government-wide Statement of Activities reports both the gross and net cost of each of the NKADD's functions. The functions are also supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants. The net costs (by function) are normally covered by general revenue.

This government-wide focus is more on the sustainability of the NKADD as an entity and the change in the NKADD's net assets resulting from the current year's activities.

- B. Basic Financial Statements-Fund Financial Statements:** The financial transactions of the NKADD are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that is comprised of their assets, liabilities, reserves, fund equity, revenues and expenditures, as appropriate. Beginning with the fiscal year ended June 30, 2011, The NKADD adopted GASB Statement 54, "Fund balance Reporting and Governmental Fund Type Definitions." This statement redefines the governmental funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following funds are used by NKADD:

Governmental Fund Types

General Fund - The general operating fund of the NKADD is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue sources not considered part of the other funds, which includes the revolving loan fund and the KHC EDA loan fund.

Fund Balances

GASB Statement 54 provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balances more transparent. In the fund financial statements, governmental fund balances can be presented in five possible categories:

Non-spendable – resources which cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted – resources with constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors or governmental laws or regulations or imposed by law through constitutional provisions or enabling legislation.

Committed – resources which are subject to limitations the District imposes on itself at its highest level of decision making and that remain binding unless removed in the same manner.

Assigned – resources neither restricted nor committed for which a government has a stated intended use as established by the governing body or by an official to which the governing body delegates authority.

Unassigned – amounts that are available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount.

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the District's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the District's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications—committed and then assigned fund balances before using unassigned fund balances.

- C. Basis of Accounting:** Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

1. Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

The accounting system of NKADD also provides for the following:

1. Revenues are applied to program elements on the basis of total expenses incurred on the projects during the period and on the sharing ratios specified in the grant agreements.
 2. Equipment acquired with grant funds is expensed immediately rather than capitalized and depreciated.
- D. Shared Costs:** Shared costs were distributed over the benefiting programs on the basis of direct salary and employee benefit charges. Shared costs are those (a) incurred for a common or joint purpose benefiting more than one program, and (b) not readily assignable to the programs specifically benefited without effort disproportionate to the results achieved.
- E. Use of Estimates:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- F. Cash and Cash Equivalents:** For purposes of these financial statements, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. As of June 30, 2011 the NKADD held no cash equivalents.
- G. Revenues Earned in Excess of Funds Received:** Management considers revenues earned in excess of funds received to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.
- H. Income Taxes:** NKADD is exempt from income taxes.
- I. Property and Equipment:** Equipment is generally acquired by NKADD in part with grant funds. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Capital assets purchased or acquired with an original cost of \$500 or more are reported at cost. Other costs incurred for repairs and maintenance are expensed as incurred. Property acquired by the NKADD is stated at cost, less accumulated depreciation computed by the straight line method over the following estimated useful lives:

Building and improvements	10 – 40 Years
Furniture and fixtures	7 Years
Computer equipment	3 Years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Debt: In the government-wide financial statements, long-term debt is reported as liabilities in the applicable governmental activities financial statements.

In the fund financial statements, governmental fund types recognize bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as other financing uses.

K. Revenues: Substantially all governmental fund revenues are accrued.

L. Expenditures: Expenditures are recognized when the related fund liability is incurred.

M. Compensated Absences: Employees are granted vacation benefits in varying amounts to specified maximums depending on tenure with NKADD. Sick leave accrues to employees to specified maximums. Employees are entitled to limited accrued vacation leave upon termination. The estimated liability for vested vacation leave benefits is recorded as an expenditure and liability in the respective funds.

NOTE 2 – CASH, CASH EQUIVALENT AND INVESTMENTS

Kentucky Revised Statutes authorize districts to invest in obligations of the United States and its agencies, obligations of the Commonwealth of Kentucky and its agencies, shares in savings and loan associations insured by federal agencies and deposits in national or state chartered banks insured by federal agencies, repurchase agreements, and larger amounts in such institutions providing such banks pledge as security, obligations of the United States government or its agencies.

As of June 30, 2011, the carrying amount of the Northern Kentucky Area Development District's deposits totaled \$871,117 and the bank balances totaled \$1,366,580.

The NKADD's interest bearing accounts of \$1,366,580 at June 30, 2011 were insured up to \$250,000 by Federal Depository Insurance Corporation and the remainder of the deposits in excess of the Federal Depository Insurance limit were collateralized with securities held by the bank, its trust department or by its agent but not in the NKADD name.

NOTE 3 – LEASES

NKADD leases warehouse space under an operating lease. The current year lease costs approximate \$36,000. There were no minimum future rental payments under this cancelable lease having remaining terms in excess of one year as of June 30, 2011.

The NKADD leases office space for the One Stop and Kentucky Works programs under five year rental agreements. The current year lease expense was \$46,427. The approximate future minimum lease payments relative to these leases as of June 30, 2011 are summarized as follows:

Fiscal Year Ending <u>June 30,</u>	
2012	\$ 48,728
2013	40,408
2014	25,060
2015	20,400
2016	<u>13,600</u>
	<u>\$ 148,196</u>

NOTE 4 – RETIREMENT PLANS

All full time employees employed before January 1, 1991 with one year of service and not participating in the County Employees' Retirement System are eligible to participate in the Northern Kentucky Area Development District Individual Retirement Accounts (IRA) match plan. Participation is voluntary and funding is provided through payroll withholdings not to exceed \$1,000 with an equal match from NKADD.

NKADD is a participating employer of the County Employees' Retirement System (CERS) which is a cost sharing, multi-employer, public employers retirement system that covers substantially all other full-time employees not participating in the IRA match plan above. Funding for the Plan is provided through payroll withholdings of 5.00% of employee's wages (6% for employees with a participation date on or after September 1, 2008) and NKADD's varying contribution percentages (16.93% at June 30, 2011) of the employee's total compensation subject to contribution. Vesting in the Plan begins upon entry into the system. The employee is fully vested after completion of sixty months of service.

Benefits under the Plan will vary based on final contribution, years of service, and other factors as fully described in the Plan documents.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the pensions' funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among the plans and employers.

CERS does not make separate measurements of assets and pension benefit obligations for individual employers. The following table presents certain information regarding the Plan's status as a whole, derived from actuarial valuations performed as of the dates indicated:

	<u>2009</u>	<u>June 30, 2010</u>	<u>2011</u>
Assets Available for Benefits	\$ 7,402,277,531	\$ 7,296,321,679	\$ 7,409,156,576
Pension Benefit Obligation	<u>(10,491,358,112)</u>	<u>(11,131,174,187)</u>	<u>(11,777,126,077)</u>
Assets Under Benefit Obligations	<u>\$ (3,089,080,581)</u>	<u>\$ (3,834,852,508)</u>	<u>\$ (4,367,969,501)</u>

Ten-year historical trend information showing CERS's progress in accumulating sufficient assets to pay benefits when due is presented in its June 30, 2010 comprehensive annual financial report.

As NKADD is only one of several employers participating in the Plan, it is not practicable to determine NKADD's portion of the unfunded past service cost or the vested benefits portion of the Plan assets.

Total retirement costs were \$482,020, \$437,220, and \$363,636 for the fiscal years ended June 30, 2011, 2010 and 2009, respectively.

NOTE 5 – CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets Not Being Depreciated				
Land	\$ 226,975	\$ -	\$ -	\$ 226,975
Total Capital Assets Not Being Depreciated	<u>226,975</u>	<u>-</u>	<u>-</u>	<u>226,975</u>
Other Capital Assets				
Buildings and Improvements	1,591,066	-	-	1,591,066
Computer Equipment	713,854	69,169	(46,545)	736,478
Furniture and Fixtures	<u>236,956</u>	<u>17,936</u>	<u>(2,755)</u>	<u>252,137</u>
Total Capital Assets at Historical Cost	<u>2,541,876</u>	<u>87,105</u>	<u>(49,300)</u>	<u>2,579,681</u>
Less Accumulated Depreciation for				
Buildings and Improvements	(427,271)	(48,093)	-	(475,364)
Computer Equipment	(665,046)	(52,500)	46,545	(671,001)
Furniture and Fixtures	<u>(190,912)</u>	<u>(12,112)</u>	<u>2,755</u>	<u>(200,269)</u>
Total Accumulated Depreciation	<u>(1,283,229)</u>	<u>(112,705)</u>	<u>49,300</u>	<u>(1,346,634)</u>
Other Capital Assets, Net	<u>1,258,647</u>	<u>(25,600)</u>	<u>-</u>	<u>1,233,047</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,485,622</u>	<u>\$ (25,600)</u>	<u>\$ -</u>	<u>\$ 1,460,022</u>

NOTE 6 – NOTE PAYABLE

Permanent financing of NKADD's office building and related real estate was provided by the U.S. Department of Agriculture through "First Mortgage Revenue Bonds," Series 2001 due over 30 years. The Bonds are dated as of their delivery and were issued and designated as Series A Bonds (\$1,200,000 at 5 1/8%) and Series B Bonds (\$550,000 at 5 1/8%).

	<u>Beginning Balance</u>	<u>Repayments</u>	<u>Ending Balance</u>
Series A	\$ 978,000	\$ (29,000)	\$ 949,000
Series B	<u>481,500</u>	<u>(12,000)</u>	<u>469,500</u>
	<u>\$ 1,459,500</u>	<u>\$ (41,000)</u>	<u>\$ 1,418,500</u>

NOTE 6 – NOTE PAYABLE (Continued)

The schedule of payments of the Bonds is as follows:

Debt Service to Maturity

Year Ending June 30	USDA Series A		USDA Series B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 30,000	\$ 47,939	\$ 13,000	\$ 23,764	\$ 43,000	\$ 71,703
2013	32,000	46,221	13,500	23,020	45,500	69,241
2014	33,000	44,620	14,500	22,335	47,500	66,955
2015	35,000	42,878	15,500	21,567	50,500	64,445
2016	37,000	41,089	16,000	20,788	53,000	61,877
2017-2021	213,000	174,214	97,000	89,834	310,000	264,048
2022-2026	275,000	112,014	129,000	61,143	404,000	173,157
2027-2031	294,000	33,682	171,000	22,919	465,000	56,601
	<u>\$ 949,000</u>	<u>\$ 542,657</u>	<u>\$ 469,500</u>	<u>\$285,370</u>	<u>\$1,418,500</u>	<u>\$ 828,027</u>

NOTE 7 – OTHER FINANCING SOURCES (USES)

Other financing sources (uses) consist of fixed asset transfers, loan proceeds and transfers between funds.

	Governmental Fund Types	
	General Fund	Special Revenue Fund Types
Principal Payment on USDA Financing	\$ (41,000)	\$ -
Transfer from General Fund to Special Revenue Fund	16,217	(16,217)
Transfer from General Fixed Assets	48,093	-
Net KHC Loan Payments and KHC Loan Proceeds	-	50,362
Net Revolving Loan Principle Activity	-	(66,950)
Write Off of Loan	-	(3,270)
Sundry	(448)	(1)
Net Other Financing Sources	<u>\$ 22,862</u>	<u>\$ (36,076)</u>

NOTE 8 – CONTINGENCIES

NKADD participates in numerous state and federal grant programs which are governed by various rules and regulations of the funding agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the funding agencies. Therefore, to the extent that NKADD has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related revenues earned in excess of funds received at June 30, 2011 may be impaired. Based on prior experience, management believes that NKADD will not incur significant losses from possible grant disallowances. Amounts that management anticipates will be refunded are included in funds received in excess of revenues earned.

NOTE 8 – CONTINGENCIES (CONTINUED)

NKADD passes a significant portion of the local, state and federal grant funds it receives through to sub-grantees. NKADD monitors the activities of the sub-grantees and requires that applicable sub-grantees have financial and compliance audits performed. To the extent that audits of sub-grantees indicate failures to comply with applicable grant requirements, NKADD assesses the likelihood of grant refunds payable as a result of such noncompliance, and records a liability for amounts management deems to be in excess of amounts recoverable from the sub-grantee. Management also assesses the likelihood of noncompliance by sub-grantees that have not yet submitted audited results. NKADD has not received nor reviewed many of the FY '11 audits of its sub-grantees. It is possible that audits of these funds could disclose questionable costs and/or non-compliance with laws, regulations and grant conditions that would have an adverse effect upon the financial statements and reports.

NOTE 9 – RESTRICTED NET ASSETS

Net assets restricted for loan programs include the excess of assets over liabilities restricted for the revolving loan fund and the Kentucky Housing Corporation Economic Development Administration loan fund. The government-wide statements include restricted net assets of \$325,277 for small business loans reported as funds to reflect purpose restrictions imposed by the grantors. These restrictions are functionally classified in the statement of net assets.

REQUIRED SUPPLEMENTARY INFORMATION

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2011

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund Balance July 1, 2010	\$ 1,034,584	\$ 1,034,584	\$ 1,034,584	\$ -
RESOURCES (Inflows)				
Federal and State Revenues	4,552,514	5,284,510	5,356,046	71,536
Local Contract Revenue	679,138	909,396	798,311	(111,085)
Local Contribution Revenue	160,000	160,000	138,568	(21,432)
Annual Meeting	12,000	12,000	6,121	(5,879)
Miscellaneous Revenue	5,000	104	3,287	3,183
Pass-Through Revenue	10,000,000	8,862,861	10,970,015	2,107,154
Total Resources	15,408,652	15,228,871	17,272,348	2,043,477
Amounts Available for Use	16,443,236	16,263,455	18,306,932	2,043,477
EXPENDITURES (Outflows):				
Direct Salaries	2,610,904	2,928,167	2,802,335	125,832
Direct Employee Benefits	1,013,932	1,048,967	968,560	80,407
Direct Travel	112,428	181,372	170,439	10,933
Direct Contracts	137,270	101,032	104,331	(3,299)
Direct Other	303,833	703,956	546,899	157,057
Direct Local Non-Grant Expenses	35,000	35,000	53,526	(18,526)
Shared Expenses	1,073,801	1,144,776	1,133,800	10,976
Building Principal and Reserve	50,740	50,740	38,500	12,240
Pass-Through Expenditures	10,000,000	8,862,861	10,970,015	(2,107,154)
Total Expenditures Before Other Sources	15,337,908	15,056,871	16,788,405	(1,731,534)
Net Other Financing Sources	-	-	(22,862)	22,862
Net Expenditures	15,337,908	15,056,871	16,765,543	(1,708,672)
Budgetary Fund Balance June 30, 2011	\$ 1,105,328	\$ 1,206,584	\$ 1,541,389	\$ 334,805

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2011**

NOTE 1 – BUDGETING POLICIES

The executive director submits an annual budget to the Board of Directors in accordance with NKADD procedures. Once approved, the Board of Directors may amend the adopted budget when unexpected modifications are required in estimated revenues and expenditures. Each funds' budget is prepared on a detailed work element/line item basis. Revenues are budgeted by source. Expenditures are budgeted by department, work element and line item. Revisions to the budget were made throughout the year. Because the NKADD did not have sufficient information to accurately prepare certain forecasts, some work elements do not have budgets.

The budgets are prepared on the basis of accounting used by the appropriate fund. The actual and budget amounts for the Revolving Loan Fund and the Non-cash Federal Commodities are not included in the budgetary comparison schedule.

OTHER SUPPLEMENTARY INFORMATION

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors
Northern Kentucky Area Development District
Florence, Kentucky

As explained in Note 1 of the Supplementary Information, the accompanying summary of information of the Northern Kentucky Area Development District, as of and for the year ended June 30, 2011, as listed in the table of contents is not a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the accompanying summary information is fairly stated in all material respects, in relation to the portion of the basic financial statements from which it has been derived.

VonLehman & Company Inc.

Fort Mitchell, Kentucky
January 26, 2012

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY GRANT
GENERAL AND SPECIAL REVENUE FUND TYPES
Year Ended June JUNE 30, 2011**

REFERENCE	Cabinet for Health and Family Services <u>Pages 26-32</u>	Workforce Investment Act <u>Pages 52-59</u>	Commodities <u>Pages 78-79</u>	Supportive Housing <u>Pages 80-82</u>	Homelessness Prevention and Rapid Re- Housing Program <u>Pages 84-85</u>
REVENUES					
Federal and State	\$ 8,436,301	\$ 4,538,882	\$ 168,232	\$ 601,538	\$ 559,250
Federal Commodities	-	-	683,957	-	-
Local Funds Applied	14,191	3,967	-	-	1,534
Match - Cash	451,391	-	-	-	-
Match - In Kind	326,479	-	-	107,007	-
Program Income	92,968	3,800	-	-	-
Interest Income	154	-	198	-	-
Local Revenue	954	-	-	-	265,499
Total Revenues	<u>9,322,438</u>	<u>4,546,649</u>	<u>852,387</u>	<u>708,545</u>	<u>826,283</u>
EXPENDITURES					
Direct Expenses					
Salaries	964,797	538,869	51,066	27,581	69,314
Employee Benefits	350,007	201,195	14,461	9,220	20,388
Travel	65,357	15,907	313	273	336
Contracts	3,031	-	36,000	-	-
Other	115,061	281,096	45,589	-	2,209
Total Direct Expenses	<u>1,498,253</u>	<u>1,037,067</u>	<u>147,429</u>	<u>37,074</u>	<u>92,247</u>
Shared Expenses Applied	429,981	234,653	21,001	12,558	28,992
Sub-Total Expenditures	<u>1,928,234</u>	<u>1,271,720</u>	<u>168,430</u>	<u>49,632</u>	<u>121,239</u>
Sub-Recipients/Sub-Grantees	6,950,129	3,274,929	683,957	658,913	705,044
Total Expenditures	<u>8,878,363</u>	<u>4,546,649</u>	<u>852,387</u>	<u>708,545</u>	<u>826,283</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>444,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>(3,717)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ 440,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

<u>Loan Program</u> <u>Pages 86-87</u>	<u>Joint Funding Administration</u> <u>Pages 88-89</u>	<u>Other Federal Contracts</u> <u>Pages 90-91</u>	<u>Other State Contracts</u> <u>Pages 92-95</u>	<u>Other Local Contracts</u> <u>Pages 96-98</u>	<u>Shared Expenses</u> <u>Page 99</u>	<u>Revenues and Expenditures</u> <u>Total</u>
\$ 67,098	\$ 285,620	\$ 1,264,596	\$ 439,810	\$ -	\$ -	\$ 16,361,327
-	-	-	-	-	-	683,957
-	6,956	55	18,963	(45,666)	-	-
-	-	-	-	-	-	451,391
-	-	-	-	-	-	433,486
-	-	-	-	-	-	96,768
11,830	-	2	-	2,933	-	15,117
-	-	3,052	565	704,762	-	974,832
<u>78,928</u>	<u>292,576</u>	<u>1,267,705</u>	<u>459,338</u>	<u>662,029</u>	<u>-</u>	<u>19,016,878</u>
5,672	151,721	586,267	147,764	264,956	424,528	3,232,535
2,165	55,849	168,669	52,177	96,594	149,488	1,120,213
314	10,643	40,750	5,729	31,131	17,041	187,794
76	-	65,300	-	-	68,498	172,905
<u>51,993</u>	<u>10,303</u>	<u>67,016</u>	<u>32,444</u>	<u>85,207</u>	<u>476,736</u>	<u>1,167,654</u>
60,220	228,516	928,002	238,114	477,888	1,136,291	5,881,101
<u>2,491</u>	<u>64,060</u>	<u>161,924</u>	<u>68,190</u>	<u>112,441</u>	<u>(1,136,291)</u>	<u>-</u>
62,711	292,576	1,089,926	306,304	590,329	-	5,881,101
-	-	177,779	153,034	31,832	-	12,635,617
<u>62,711</u>	<u>292,576</u>	<u>1,267,705</u>	<u>459,338</u>	<u>622,161</u>	<u>-</u>	<u>18,516,718</u>
16,217	-	-	-	39,868	-	500,160
-	-	-	-	3,717	-	-
<u>\$ 16,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,585</u>	<u>\$ -</u>	<u>\$ 500,160</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

REFERENCE	Title III		Title VII	
	Pages 34-37		Pages 38-39	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 1,414,753	\$ 1,393,535	\$ 26,102	\$ 22,813
Local Funds Applied	4,444	4,444	-	-
Match - Cash	373,049	369,060	3,061	3,061
Match - In Kind	284,352	293,147	356	356
Program Income	35,002	34,850	-	-
Interest Income	52	52	-	-
Local Revenue	954	954	-	-
Total Revenues	<u>2,112,606</u>	<u>2,096,042</u>	<u>29,519</u>	<u>26,230</u>
EXPENDITURES				
Direct Expenses				
Salaries	199,632	203,792	501	476
Employee Benefits	76,145	77,418	216	118
Travel	17,739	16,469	-	-
Contracts	2,100	2,100	-	-
Other	35,378	22,250	8,235	5,931
Total Direct Expenses	330,994	322,029	8,952	6,525
Shared Expenses Applied	87,167	93,399	177	171
Sub-Total Expenditures	418,161	415,428	9,129	6,696
Sub-Recipients/Sub-Grantees	1,710,728	1,696,897	20,390	19,534
Total Expenditures	<u>2,128,889</u>	<u>2,112,325</u>	<u>29,519</u>	<u>26,230</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>(16,283)</u>	<u>(16,283)</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>16,283</u>	<u>16,283</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

REFERENCE	Personal Care Attendant		SHIP	
	Pages 44-45		Pages 46-47	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 532,113	\$ 531,890	\$ 43,735	\$ 43,735
Local Funds Applied	48	48	40	40
Match - Cash	-	-	-	-
Match - In Kind	-	-	-	-
Program Income	-	-	-	-
Interest Income	41	41	-	-
Local Revenue	-	-	-	-
Total Revenues	<u>532,202</u>	<u>531,979</u>	<u>43,775</u>	<u>43,775</u>
EXPENDITURES				
Direct Expenses				
Salaries	15,095	15,006	1,356	1,356
Employee Benefits	5,112	5,231	337	337
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total Direct Expenses	20,207	20,237	1,693	1,693
Shared Expenses Applied	6,447	6,417	534	534
Sub-Total Expenditures	26,654	26,654	2,227	2,227
Sub-Recipients/Sub-Grantees	505,548	505,325	41,548	41,548
Total Expenditures	<u>532,202</u>	<u>531,979</u>	<u>43,775</u>	<u>43,775</u>
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

REFERENCE	CDO		Chronic Disease	
	Pages 50-51		320-327	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 778,760	\$ 4,385,600	\$ 40,555	\$ 18,020
Local Funds Applied	-	-	-	-
Match - Cash	-	-	-	-
Match - In Kind	-	-	-	-
Program Income	-	52,726	-	-
Interest Income	-	9	-	-
Local Revenue	-	-	-	-
Total Revenues	778,760	4,438,335	40,555	18,020
EXPENDITURES				
Direct Expenses				
Salaries	388,849	376,491	9,918	6,426
Employee Benefits	137,799	129,240	3,248	1,890
Travel	26,000	21,104	3,000	2,021
Contracts	-	931	-	-
Other	70,734	40,737	20,471	4,967
Total Direct Expenses	623,382	568,503	36,637	15,304
Shared Expenses Applied	155,378	165,437	3,918	2,716
Sub-Total Expenditures	778,760	733,940	40,555	18,020
Sub-Recipients/Sub-Grantees	-	3,264,037	-	-
Total Expenditures	778,760	3,997,977	40,555	18,020
Excess Revenues (Expenditures) Before Transfers To (From)	-	440,358	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ 440,358	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

REFERENCE	Cabinet for Health and Family Services	
	Totals	
	Budget	Actual
REVENUES		
Federal and State	\$ 4,928,426	\$ 8,436,301
Local Funds Applied	14,156	14,191
Match - Cash	455,380	451,391
Match - In Kind	317,684	326,479
Program Income	40,394	92,968
Interest Income	99	154
Local Revenue	954	954
Total Revenues	<u>5,757,093</u>	<u>9,322,438</u>
EXPENDITURES		
Direct Expenses		
Salaries	981,989	964,797
Employee Benefits	359,960	350,007
Travel	72,628	65,357
Contracts	2,100	3,031
Other	200,338	115,061
Total Direct Expenses	1,617,015	1,498,253
Shared Expenses Applied	414,571	429,981
Sub-Total Expenditures	2,031,586	1,928,234
Sub-Recipients/Sub-Grantees	3,721,790	6,950,129
Total Expenditures	<u>5,753,376</u>	<u>8,878,363</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>3,717</u>	<u>444,075</u>
Transfers To (From)	<u>(3,717)</u>	<u>(3,717)</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ 440,358</u>

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TITLE III
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Administration		Supportive Services	
	320-300		320-301	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 133,352	\$ 132,640	\$ 550,929	\$ 537,775
Local Funds Applied	-	-	-	-
Match - Cash	-	-	96,574	92,585
Match - In Kind	-	-	34,821	45,010
Program Income	-	-	12,017	11,865
Interest Income	-	-	52	52
Local Revenue	854	854	-	-
Total Revenues	134,206	133,494	694,393	687,287
EXPENDITURES				
Direct Expenses				
Salaries	56,393	63,298	86,423	86,423
Employee Benefits	21,087	23,540	33,898	33,898
Travel	9,500	8,026	4,863	4,863
Contracts	-	-	-	-
Other	24,354	10,538	4,912	4,912
Total Direct Expenses	111,334	105,402	130,096	130,096
Shared Expenses Applied	22,872	28,092	40,841	40,841
Sub-Total Expenditures	134,206	133,494	170,937	170,937
Sub-Recipients/Sub-Grantees	-	-	523,456	516,350
Total Expenditures	134,206	133,494	694,393	687,287
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From) To #102-709	-	-	-	-
Total Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TITLE III
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Caregiver Administration 320-308		Caregiver Support 320-309	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 13,095	\$ 12,962	\$ 132,203	\$ 125,641
Local Funds Applied	4,365	4,365	-	-
Match - Cash	-	-	-	-
Match - In Kind	-	-	23,968	22,574
Program Income	-	-	205	205
Interest Income	-	-	-	-
Local Revenue	-	-	100	100
				-
Total Revenues	<u>17,460</u>	<u>17,327</u>	<u>156,476</u>	<u>148,520</u>
EXPENDITURES				
Direct Expenses				
Salaries	9,992	8,868	38,612	36,991
Employee Benefits	3,139	3,077	14,599	13,481
Travel	76	318	3,300	3,262
Contracts	-	-	-	-
Other	346	1,205	4,926	5,412
				-
Total Direct Expenses	<u>13,553</u>	<u>13,468</u>	<u>61,437</u>	<u>59,146</u>
Shared Expenses Applied	<u>3,907</u>	<u>3,859</u>	<u>15,833</u>	<u>16,893</u>
				-
Sub-Total Expenditures	<u>17,460</u>	<u>17,327</u>	<u>77,270</u>	<u>76,039</u>
Sub-Recipients/Sub-Grantees	<u>-</u>	<u>-</u>	<u>99,206</u>	<u>92,481</u>
Total Expenditures	<u>17,460</u>	<u>17,327</u>	<u>176,476</u>	<u>168,520</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>
Transfers To (From) From #322-331	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total Transfers To (From)	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

Title III	
Totals	
Budget	Actual
\$ 1,414,753	\$ 1,393,535
4,444	4,444
373,049	369,060
284,352	293,147
35,002	34,850
52	52
954	954
<u>2,112,606</u>	<u>2,096,042</u>
199,632	203,792
76,145	77,418
17,739	16,469
2,100	2,100
35,378	22,250
<u>330,994</u>	<u>322,029</u>
87,167	93,399
418,161	415,428
<u>1,710,728</u>	<u>1,696,897</u>
<u>2,128,889</u>	<u>2,112,325</u>
<u>(16,283)</u>	<u>(16,283)</u>
<u>16,283</u>	<u>16,283</u>
<u>16,283</u>	<u>16,283</u>
<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TITLE VII
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	<u>Elder Abuse</u>		<u>Ombudsman</u>	
	320-305		320-306	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:				
Federal and State	\$ 5,938	\$ 5,082	\$ 11,035	\$ 11,035
Local Funds Applied	-	-	-	-
Match - Cash	926	926	2,135	2,135
Match - In Kind	-	-	356	356
Program Income	-	-	-	-
Interest Income	-	-	-	-
Local Revenue	-	-	-	-
	<u>6,864</u>	<u>6,008</u>	<u>13,526</u>	<u>13,526</u>
Total Revenues				
EXPENDITURES:				
Direct Expenses				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Direct Expenses	-	-	-	-
Shared Expenses Applied	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-Total Expenditures	-	-	-	-
Sub-Recipients/Sub-Grantees	<u>6,864</u>	<u>6,008</u>	<u>13,526</u>	<u>13,526</u>
Total Expenditures	<u>6,864</u>	<u>6,008</u>	<u>13,526</u>	<u>13,526</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report on and notes to supplementary information.

Ombudsman - Education 320-307		Title VII Totals	
Budget	Actual	Budget	Actual
\$ 9,129	\$ 6,696	\$ 26,102	\$ 22,813
-	-	-	-
-	-	3,061	3,061
-	-	356	356
-	-	-	-
-	-	-	-
-	-	-	-
<u>9,129</u>	<u>6,696</u>	<u>29,519</u>	<u>26,230</u>
501	476	501	476
216	118	216	118
-	-	-	-
-	-	-	-
<u>8,235</u>	<u>5,931</u>	<u>8,235</u>	<u>5,931</u>
8,952	6,525	8,952	6,525
177	171	177	171
9,129	6,696	9,129	6,696
-	-	20,390	19,534
<u>9,129</u>	<u>6,696</u>	<u>29,519</u>	<u>26,230</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
HOMECARE
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Administration		Home Delivered Meals	
	321-320		321-321	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and State	\$ 127,319	\$ 127,319	\$ 213,364	\$ 213,364
Local Funds Applied	9,583	9,583	-	-
Match - Cash	-	-	32,251	32,251
Match - In Kind	-	-	23,603	23,603
Program Income	-	-	-	-
Interest Income	-	-	-	-
Local Revenue	-	-	-	-
Total Revenues	136,902	136,902	269,218	269,218
EXPENDITURES:				
Direct Expenses				
Salaries	66,906	66,067	2,891	2,891
Employee Benefits	24,123	24,405	1,205	1,205
Travel	7,100	9,209	-	-
Contracts	-	-	-	-
Other	11,687	7,972	-	-
Total Direct Expenses	109,816	107,653	4,096	4,096
Shared Expenses Applied	27,086	29,249	1,454	1,454
Sub-Total Expenditures	136,902	136,902	5,550	5,550
Sub-Recipients/Sub-Grantees	-	-	263,668	263,668
Total Expenditures	136,902	136,902	269,218	269,218
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Total Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

Social Services 321-322		Homecare Totals	
Budget	Actual	Budget	Actual
\$ 1,157,186	\$ 1,154,529	\$ 1,497,869	\$ 1,495,212
-	-	9,583	9,583
44,047	44,047	76,298	76,298
7,585	7,585	31,188	31,188
4,560	4,560	4,560	4,560
6	6	6	6
-	-	-	-
<u>1,213,384</u>	<u>1,210,727</u>	<u>1,619,504</u>	<u>1,616,847</u>
227,714	227,714	297,511	296,672
86,774	86,774	112,102	112,384
15,291	15,291	22,391	24,500
-	-	-	-
<u>22,343</u>	<u>22,343</u>	<u>34,030</u>	<u>30,315</u>
352,122	352,122	466,034	463,871
<u>102,583</u>	<u>102,583</u>	<u>131,123</u>	<u>133,286</u>
454,705	454,705	597,157	597,157
<u>758,679</u>	<u>756,022</u>	<u>1,022,347</u>	<u>1,019,690</u>
<u>1,213,384</u>	<u>1,210,727</u>	<u>1,619,504</u>	<u>1,616,847</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
ADULT DAY CARE
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Administration		Services	
	322-330		322-331	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and State	\$ 16,042	\$ 16,042	\$ 172,456	\$ 155,856
Local Funds Applied	41	41	-	-
Match - Cash	-	-	-	-
Match - In Kind	-	-	-	-
Program Income	-	-	832	832
Interest Income	-	-	-	46
Local Revenue	-	-	-	-
Total Revenues	16,083	16,083	173,288	156,734
EXPENDITURES:				
Direct Expenses:				
Salaries	9,347	9,089	7,074	7,239
Employee Benefits	2,719	2,975	3,296	3,335
Travel	-	-	-	26
Contracts	-	-	-	-
Other	-	-	-	-
Total Direct Expenses	12,066	12,064	10,370	10,600
Shared Expenses Applied	4,017	4,019	3,350	3,400
Sub-Total Expenditures	16,083	16,083	13,720	14,000
Sub-Recipients/Sub-Grantees	-	-	139,568	122,734
Total Expenditures	16,083	16,083	153,288	136,734
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	20,000	20,000
Transfers To (From) To #320-309	-	-	(20,000)	(20,000)
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

Adult Day Care	
Totals	
Budget	Actual
\$ 188,498	\$ 171,898
41	41
-	-
-	-
832	832
-	46
-	-
<u>189,371</u>	<u>172,817</u>
16,421	16,328
6,015	6,310
-	26
-	-
-	-
<u>22,436</u>	<u>22,664</u>
<u>7,367</u>	<u>7,419</u>
29,803	30,083
<u>139,568</u>	<u>122,734</u>
<u>169,371</u>	<u>152,817</u>
20,000	20,000
<u>(20,000)</u>	<u>(20,000)</u>
<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
PERSONAL CARE ATTENDANT
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Administration		Evaluation and Coordination	
	324-340		324-341	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and State	\$ 26,606	\$ 26,606	\$ 101,137	\$ 100,914
Local Funds Applied	48	48	-	-
Match - Cash	-	-	-	-
Match - In Kind	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	41	41
Local Revenue	-	-	-	-
Total Revenues	26,654	26,654	101,178	100,955
EXPENDITURES:				
Direct Expenses:				
Salaries	15,095	15,006	-	-
Employee Benefits	5,112	5,231	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total Direct Expenses	20,207	20,237	-	-
Shared Expenses Applied	6,447	6,417	-	-
Sub-Total Expenditures	26,654	26,654	-	-
Sub-Recipients/Sub-Grantees	-	-	101,178	100,955
Total Expenditures	26,654	26,654	101,178	100,955
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

Subsidy 324-342		Personal Care Attendant Totals	
Budget	Actual	Budget	Actual
\$ 404,370	\$ 404,370	\$ 532,113	\$ 531,890
-	-	48	48
-	-	-	-
-	-	-	-
-	-	-	-
-	-	41	41
-	-	-	-
<u>404,370</u>	<u>404,370</u>	<u>532,202</u>	<u>531,979</u>
-	-	15,095	15,006
-	-	5,112	5,231
-	-	-	-
-	-	-	-
-	-	-	-
-	-	20,207	20,237
-	-	6,447	6,417
-	-	26,654	26,654
<u>404,370</u>	<u>404,370</u>	<u>505,548</u>	<u>505,325</u>
<u>404,370</u>	<u>404,370</u>	<u>532,202</u>	<u>531,979</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
SHIP
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Administration		Regular	
	326-310		326-311	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and State	\$ 2,187	\$ 2,187	\$ 41,548	\$ 41,548
Local Funds Applied	40	40	-	-
Match - Cash	-	-	-	-
Match - In Kind	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Local Revenue	-	-	-	-
	-----	-----	-----	-----
Total Revenues	2,227	2,227	41,548	41,548
EXPENDITURES:				
Direct Expenses:				
Salaries	1,356	1,356	-	-
Employee Benefits	337	337	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
	-----	-----	-----	-----
Total Direct Expenses	1,693	1,693	-	-
Shared Expenses Applied	534	534	-	-
	-----	-----	-----	-----
Sub-Total Expenditures	2,227	2,227	-	-
Sub-Recipients/Sub-Grantees	-	-	41,548	41,548
	-----	-----	-----	-----
Total Expenditures	2,227	2,227	41,548	41,548
	-----	-----	-----	-----
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
	-----	-----	-----	-----
Transfers To (From)	-	-	-	-
	-----	-----	-----	-----
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -
	=====	=====	=====	=====

See independent auditors' report on and notes to supplementary information.

SHIP	
Totals	
Budget	Actual
\$ 43,735	\$ 43,735
40	40
-	-
-	-
-	-
-	-
-	-
<u>43,775</u>	<u>43,775</u>
1,356	1,356
337	337
-	-
-	-
-	-
<u>1,693</u>	<u>1,693</u>
534	534
2,227	2,227
<u>41,548</u>	<u>41,548</u>
<u>43,775</u>	<u>43,775</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
KENTUCKY CAREGIVER
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Grandparents Administration 320-314		Grandparents Support 320-315	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and State	\$ 12,094	\$ 12,094	\$ 130,189	\$ 118,135
Local Funds Applied	-	35	-	-
Match - Cash	-	-	-	-
Match - In Kind	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Local Revenue	-	-	-	-
Total Revenues	12,094	12,129	130,189	118,135
EXPENDITURES:				
Direct Expenses:				
Salaries	6,611	6,908	25,116	24,128
Employee Benefits	2,139	2,266	8,107	7,777
Travel	700	-	1,000	592
Contracts	-	-	-	-
Other	41	12	5,075	1,310
Total Direct Expenses	9,491	9,186	39,298	33,807
Shared Expenses Applied	2,603	2,943	10,886	10,241
Sub-Total Expenditures	12,094	12,129	50,184	44,048
Sub-recipients/ sub-grantees	-	-	80,005	74,087
Total Expenditures	12,094	12,129	130,189	118,135
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

Kentucky Caregiver	
Totals	
Budget	Actual
\$ 142,283	\$ 130,229
-	35
-	-
-	-
-	-
-	-
-	-
<u>142,283</u>	<u>130,264</u>
31,727	31,036
10,246	10,043
1,700	592
-	-
<u>5,116</u>	<u>1,322</u>
48,789	42,993
<u>13,489</u>	<u>13,184</u>
62,278	56,177
<u>80,005</u>	<u>74,087</u>
<u>142,283</u>	<u>130,264</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
CDO
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	CDO Financial Management		CDO Program	
	134-552		334-552	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and State	\$ 120,000	\$ 295,400	\$ 658,760	\$ 4,090,200
Local Funds Applied	-	-	-	-
Match - Cash	-	-	-	-
Match - In Kind	-	-	-	-
Program Income	-	-	-	52,726
Interest Income	-	-	-	9
Local Revenue	-	-	-	-
Total Revenues	120,000	295,400	658,760	4,142,935
EXPENDITURES:				
Direct Expenses:				
Salaries	63,025	60,424	325,824	316,067
Employee Benefits	17,205	14,699	120,594	114,541
Travel	-	-	26,000	21,104
Contracts	-	931	-	-
Other	16,034	453	54,700	40,284
Total Direct Expenses	96,264	76,507	527,118	491,996
Shared Expenses Applied	23,736	24,146	131,642	141,291
Sub-Total Expenditures	120,000	100,653	658,760	633,287
Sub-Recipients/Sub-Grantees	-	-	-	3,264,037
Total Expenditures	120,000	100,653	658,760	3,897,324
Excess Revenues (Expenditures) Before Transfers To (From)	-	194,747	-	245,611
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ 194,747	\$ -	\$ 245,611

See independent auditors' report on and notes to supplementary information.

CDO	
Totals	
Budget	Actual
\$ 778,760	\$ 4,385,600
-	-
-	-
-	-
-	52,726
-	9
-	-
<u>778,760</u>	<u>4,438,335</u>
388,849	376,491
137,799	129,240
26,000	21,104
-	931
<u>70,734</u>	<u>40,737</u>
623,382	568,503
<u>155,378</u>	<u>165,437</u>
778,760	733,940
-	<u>3,264,037</u>
<u>778,760</u>	<u>3,997,977</u>
-	<u>440,358</u>
-	-
<u>\$ -</u>	<u>\$ 440,358</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT
TOTAL BY GRANT
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	274S9YT		272S9DW	
	410-645		413-634	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 73,655	\$ 73,655	\$ 92,168	\$ 92,168
Local Funds Applied	-	-	-	-
Program Income	3,800	3,800	-	-
Interest Income	-	-	-	-
Total Revenues	<u>77,455</u>	<u>77,455</u>	<u>92,168</u>	<u>92,168</u>
EXPENDITURES				
Direct Expenses				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total Direct Expenses	-	-	-	-
Shared Expenses Applied	-	-	-	-
Sub-Total Expenditures	-	-	-	-
Sub-Recipients/Sub-Grantees	<u>77,455</u>	<u>77,455</u>	<u>92,168</u>	<u>92,168</u>
Total Expenditures	<u>77,455</u>	<u>77,455</u>	<u>92,168</u>	<u>92,168</u>
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

20508		27010		20509	
476-646		481-634		486-646	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 636	\$ 636	\$ 6,201	\$ 6,201	\$ 99,560	\$ 99,560
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
636	636	6,201	6,201	99,560	99,560
-	-	3,226	3,264	-	-
-	-	1,274	913	-	-
-	-	46	-	-	-
-	-	-	-	-	-
-	-	215	772	-	-
-	-	4,761	4,949	-	-
-	-	1,440	1,252	-	-
-	-	6,201	6,201	-	-
636	636	-	-	99,560	99,560
636	636	6,201	6,201	99,560	99,560
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT
TOTAL BY GRANT
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	251P109		EM-20029-10-60-A-21	
	487-624		487-676	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 8,000	\$ 7,955	\$ 243,828	\$ 191,528
Local Funds Applied	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	8,000	7,955	243,828	191,528
EXPENDITURES				
Direct Expenses				
Salaries	-	-	14,780	4,846
Employee Benefits	-	-	5,053	1,612
Travel	-	-	-	89
Contracts	-	-	-	-
Other	8,000	7,955	219,953	182,885
Total Direct Expenses	8,000	7,955	239,786	189,432
Shared Expenses Applied	-	-	4,042	2,096
Sub-Total Expenditures	8,000	7,955	243,828	191,528
Sub-Recipients/Sub-Grantees	-	-	-	-
Total Expenditures	8,000	7,955	243,828	191,528
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT
TOTAL BY GRANT
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

	270S9		25811	
	Pages 60-61		Pages 62-63	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 247,601	\$ 245,947	\$ 640,915	\$ 299,598
Local Funds Applied	3,116	3,116	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	<u>250,717</u>	<u>249,063</u>	<u>640,915</u>	<u>299,598</u>
EXPENDITURES				
Direct Expenses				
Salaries	2,407	4,706	23,563	23,563
Employee Benefits	698	1,292	6,572	6,572
Travel	-	151	686	686
Contracts	-	-	-	-
Other	39,093	32,730	13,764	13,764
Total Direct Expenses	<u>42,198</u>	<u>38,879</u>	<u>44,585</u>	<u>44,585</u>
Shared Expenses Applied	919	2,584	3,868	3,868
Sub-Total Expenditures	<u>43,117</u>	<u>41,463</u>	<u>48,453</u>	<u>48,453</u>
Sub-Recipients/Sub-Grantees	207,600	207,600	592,462	251,145
Total Expenditures	<u>250,717</u>	<u>249,063</u>	<u>640,915</u>	<u>299,598</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT
TOTAL BY GRANT
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

	27110		27311	
	Pages 70-71		Pages 72-73	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 1,616,097	\$ 1,451,048	\$ 312,204	\$ 285,204
Local Funds Applied	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	1,616,097	1,451,048	312,204	285,204
EXPENDITURES				
Direct Expenses				
Salaries	42,517	42,224	66,345	67,074
Employee Benefits	16,294	15,315	25,913	25,421
Travel	777	833	2,320	1,190
Contracts	22	-	-	-
Other	592	911	1,661	1,808
Total Direct Expenses	60,202	59,283	96,239	95,493
Shared Expenses Applied	18,919	19,771	35,173	34,627
Sub-Total Expenditures	79,121	79,054	131,412	130,120
Sub-Recipients/Sub-Grantees	1,536,976	1,371,994	180,792	155,084
Total Expenditures	1,616,097	1,451,048	312,204	285,204
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 270S9
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011

Work Element	Adult		Pre-Apprenticeship	
	412-632		412-637	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 80,023	\$ 80,023	\$ 167,578	\$ 165,924
Local Funds Applied	-	-	3,116	3,116
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	<u>80,023</u>	<u>80,023</u>	<u>170,694</u>	<u>169,040</u>
EXPENDITURES				
Direct Expenses				
Salaries	-	-	2,407	4,706
Employee Benefits	-	-	698	1,292
Travel	-	-	-	151
Contracts	-	-	-	-
Other	-	-	39,093	32,730
Total Direct Expenses	-	-	42,198	38,879
Shared Expenses Applied	-	-	919	2,584
Sub-Total Expenditures	-	-	43,117	41,463
Sub-Recipients/Sub-Grantees	80,023	80,023	127,577	127,577
Total Expenditures	<u>80,023</u>	<u>80,023</u>	<u>170,694</u>	<u>169,040</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

Totals	
270S9	
Budget	Actual
\$ 247,601	\$ 245,947
3,116	3,116
-	-
-	-
<u>250,717</u>	<u>249,063</u>
2,407	4,706
698	1,292
-	151
-	-
<u>39,093</u>	<u>32,730</u>
42,198	38,879
919	2,584
43,117	41,463
<u>207,600</u>	<u>207,600</u>
<u>250,717</u>	<u>249,063</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 28511
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011

Work Element	NEG		Disaster Relief NEG	
	436-639		436-655	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 64,493	\$ 64,493	\$ 5,267	\$ 5,267
Local Funds Applied	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	<u>64,493</u>	<u>64,493</u>	<u>5,267</u>	<u>5,267</u>
EXPENDITURES				
Direct Expenses				
Salaries	-	-	3,367	3,367
Employee Benefits	-	-	597	597
Travel	-	-	632	632
Contracts	-	-	-	-
Other	-	-	-	-
Total Direct Expenses	-	-	4,596	4,596
Shared Expenses Applied	-	-	671	671
Sub-Total Expenditures	-	-	5,267	5,267
Sub-Recipients/Sub-Grantees	<u>64,493</u>	<u>64,493</u>	-	-
Total Expenditures	<u>64,493</u>	<u>64,493</u>	<u>5,267</u>	<u>5,267</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

NEG2		Totals	
436-690		28511	
Budget	Actual	Budget	Actual
\$ 571,155	\$ 229,838	\$ 640,915	\$ 299,598
-	-	-	-
-	-	-	-
-	-	-	-
<u>571,155</u>	<u>229,838</u>	<u>640,915</u>	<u>299,598</u>
20,196	20,196	23,563	23,563
5,975	5,975	6,572	6,572
54	54	686	686
-	-	-	-
<u>13,764</u>	<u>13,764</u>	<u>13,764</u>	<u>13,764</u>
39,989	39,989	44,585	44,585
<u>3,197</u>	<u>3,197</u>	<u>3,868</u>	<u>3,868</u>
43,186	43,186	48,453	48,453
<u>527,969</u>	<u>186,652</u>	<u>592,462</u>	<u>251,145</u>
<u>571,155</u>	<u>229,838</u>	<u>640,915</u>	<u>299,598</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27310
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Adult		JAG	
	482-632		482-635	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 47,510	\$ 47,510	\$ 251,500	\$ 242,216
Local Funds Applied	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	<u>47,510</u>	<u>47,510</u>	<u>251,500</u>	<u>242,216</u>
EXPENDITURES				
Direct Expenses				
Salaries	18,938	18,938	15,399	16,140
Employee Benefits	7,106	7,106	6,505	6,908
Travel	267	277	3,000	582
Contracts	-	-	-	-
Other	903	903	-	-
Total Direct Expenses	27,214	27,224	24,904	23,630
Shared Expenses Applied	8,910	8,910	6,614	7,489
Sub-Total Expenditures	36,124	36,134	31,518	31,119
Sub-Recipients/Sub-Grantees	11,386	11,376	219,982	211,097
Total Expenditures	<u>47,510</u>	<u>47,510</u>	<u>251,500</u>	<u>242,216</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

Totals	
27310	
Budget	Actual
\$ 299,010	\$ 289,726
-	-
-	-
-	-
<u>299,010</u>	<u>289,726</u>
34,337	35,078
13,611	14,014
3,267	859
-	-
<u>903</u>	<u>903</u>
52,118	50,854
<u>15,524</u>	<u>16,399</u>
67,642	67,253
<u>231,368</u>	<u>222,473</u>
<u>299,010</u>	<u>289,726</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27210
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011

Work Element	Adult		Dislocated Worker	
	483-632		483-634	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 4,288	\$ 4,288	\$ 10,118	\$ 10,118
Local Funds Applied	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	<u>4,288</u>	<u>4,288</u>	<u>10,118</u>	<u>10,118</u>
EXPENDITURES				
Direct Expenses				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total Direct Expenses	-	-	-	-
Shared Expenses Applied	-	-	-	-
Sub-Total Expenditures	-	-	-	-
Sub-Recipients/Sub-Grantees	<u>4,288</u>	<u>4,288</u>	<u>10,118</u>	<u>10,118</u>
Total Expenditures	<u>4,288</u>	<u>4,288</u>	<u>10,118</u>	<u>10,118</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

Incentive		Totals	
483-683		27210	
Budget	Actual	Budget	Actual
\$ 10,573	\$ 10,573	\$ 24,979	\$ 24,979
-	-	-	-
-	-	-	-
-	-	-	-
<u>10,573</u>	<u>10,573</u>	<u>24,979</u>	<u>24,979</u>
6,114	6,240	6,114	6,240
1,962	1,712	1,962	1,712
-	128	-	128
-	-	-	-
-	-	-	-
<u>8,076</u>	<u>8,080</u>	<u>8,076</u>	<u>8,080</u>
<u>2,497</u>	<u>2,493</u>	<u>2,497</u>	<u>2,493</u>
10,573	10,573	10,573	10,573
-	-	14,406	14,406
<u>10,573</u>	<u>10,573</u>	<u>24,979</u>	<u>24,979</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27410
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011

Work Element	484-636		484-679	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 86,138	\$ 86,138	\$ 5,200	\$ 5,200
Local Funds Applied	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	<u>86,138</u>	<u>86,138</u>	<u>5,200</u>	<u>5,200</u>
EXPENDITURES				
Direct Expenses				
Salaries	32,429	32,429	-	-
Employee Benefits	13,364	13,364	-	-
Travel	3,564	3,564	-	-
Contracts	-	-	-	-
Other	3,076	3,076	5,200	5,200
Total Direct Expenses	52,433	52,433	5,200	5,200
Shared Expenses Applied	15,289	15,237	-	-
Sub-Total Expenditures	67,722	67,670	5,200	5,200
Sub-Recipients/Sub-Grantees	18,416	18,468	-	-
Total Expenditures	<u>86,138</u>	<u>86,138</u>	<u>5,200</u>	<u>5,200</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

Totals	
27410	
Budget	Actual
\$ 91,338	\$ 91,338
-	-
-	-
-	-
<u>91,338</u>	<u>91,338</u>
32,429	32,429
13,364	13,364
3,564	3,564
-	-
<u>8,276</u>	<u>8,276</u>
57,633	57,633
<u>15,289</u>	<u>15,237</u>
72,922	72,870
<u>18,416</u>	<u>18,468</u>
<u>91,338</u>	<u>91,338</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27110
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011

Work Element	Administration		Dislocated Worker	
	485-630		485-634	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 242	\$ 175	\$ 90,091	\$ 90,091
Local Funds Applied	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	242	175	90,091	90,091
EXPENDITURES				
Direct Expenses				
Salaries	108	-	38,429	38,429
Employee Benefits	36	-	14,701	13,784
Travel	15	-	530	426
Contracts	22	-	-	-
Other	15	175	577	736
Total Direct Expenses	196	175	54,237	53,375
Shared Expenses Applied	46	-	17,101	17,963
Sub-Total Expenditures	242	175	71,338	71,338
Sub-Recipients/Sub-Grantees	-	-	18,753	18,753
Total Expenditures	242	175	90,091	90,091
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27311
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011

Work Element	Adult		Dislocated Worker	
	492-632		492-634	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 228,037	\$ 201,037	\$ 84,167	\$ 84,167
Local Funds Applied	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	228,037	201,037	84,167	84,167
EXPENDITURES				
Direct Expenses				
Salaries	37,176	37,905	29,169	29,169
Employee Benefits	15,112	14,620	10,801	10,801
Travel	1,500	370	820	820
Contracts	-	-	-	-
Other	1,661	1,808	-	-
Total Direct Expenses	55,449	54,703	40,790	40,790
Shared Expenses Applied	16,732	16,186	18,441	18,441
Sub-Total Expenditures	72,181	70,889	59,231	59,231
Sub-Recipients/Sub-Grantees	155,856	130,148	24,936	24,936
Total Expenditures	228,037	201,037	84,167	84,167
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

Totals	
27311	
Budget	Actual
\$ 312,204	\$ 285,204
-	-
-	-
-	-
<u>312,204</u>	<u>285,204</u>
66,345	67,074
25,913	25,421
2,320	1,190
-	-
<u>1,661</u>	<u>1,808</u>
96,239	95,493
<u>35,173</u>	<u>34,627</u>
131,412	130,120
<u>180,792</u>	<u>155,084</u>
<u>312,204</u>	<u>285,204</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27211
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011

Work Element	Administration		Dislocated Worker	
	493-630		493-634	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 19,470	\$ 19,470	\$ 204,938	\$ 205,524
Local Funds Applied	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	<u>19,470</u>	<u>19,470</u>	<u>204,938</u>	<u>205,524</u>
EXPENDITURES				
Direct Expenses				
Salaries	8,692	7,147	68,289	68,289
Employee Benefits	2,921	2,160	26,225	25,678
Travel	1,203	1,112	945	607
Contracts	-	-	-	-
Other	2,938	6,136	1,649	5,101
Total Direct Expenses	15,754	16,555	97,108	99,675
Shared Expenses Applied	<u>3,716</u>	<u>2,915</u>	<u>30,565</u>	<u>30,565</u>
Sub-Total Expenditures	19,470	19,470	127,673	130,240
Sub-Recipients/Sub-Grantees	<u>-</u>	<u>-</u>	<u>77,265</u>	<u>75,284</u>
Total Expenditures	<u>19,470</u>	<u>19,470</u>	<u>204,938</u>	<u>205,524</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

Totals	
27211	
Budget	Actual
\$ 224,408	\$ 224,994
-	-
-	-
-	-
<u>224,408</u>	<u>224,994</u>
76,981	75,436
29,146	27,838
2,148	1,719
-	-
<u>4,587</u>	<u>11,237</u>
112,862	116,230
<u>34,281</u>	<u>33,480</u>
147,143	149,710
<u>77,265</u>	<u>75,284</u>
<u>224,408</u>	<u>224,994</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27111
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011

Work Element	Administration		Dislocated Worker	
	495-630		495-634	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 45,220	\$ 28,035	\$ 554,413	\$ 506,718
Local Funds Applied	-	-	-	-
Program Income	-	-	-	-
Interest Income	-	-	-	-
Total Revenues	45,220	28,035	554,413	506,718
EXPENDITURES				
Direct Expenses				
Salaries	20,101	12,294	145,731	145,731
Employee Benefits	6,754	3,838	53,406	53,406
Travel	2,782	1,455	1,310	1,310
Contracts	-	-	-	-
Other	6,989	5,348	4,469	4,469
Total Direct Expenses	36,626	22,935	204,916	204,916
Shared Expenses Applied	8,594	5,100	59,029	59,029
Sub-Total Expenditures	45,220	28,035	263,945	263,945
Sub-Recipients/Sub-Grantees	-	-	290,468	242,773
Total Expenditures	45,220	28,035	554,413	506,718
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

Totals	
27111	
Budget	Actual
\$ 599,633	\$ 534,753
-	-
-	-
-	-
<u>599,633</u>	<u>534,753</u>
165,832	158,025
60,160	57,244
4,092	2,765
-	-
<u>11,458</u>	<u>9,817</u>
241,542	227,851
<u>67,623</u>	<u>64,129</u>
309,165	291,980
<u>290,468</u>	<u>242,773</u>
<u>599,633</u>	<u>534,753</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
COMMODITIES
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Commodities		Commodities	
	318-615		325-618	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 35,000	\$ 35,096	\$ 91,155	\$ 104,451
Federal Commodities	-	-	669,331	669,331
Local Funds Applied	-	-	-	-
Interest Income	-	-	-	198
Local Revenue	-	-	-	-
Total Revenues	35,000	35,096	760,486	773,980
EXPENDITURES				
Direct Expenses				
Salaries	18,965	16,784	36,216	23,098
Employee Benefits	3,984	2,942	10,597	7,157
Travel	-	236	200	77
Contracts	4,800	4,800	27,600	31,200
Other	456	4,052	2,681	33,182
Total Direct Expenses	28,205	28,814	77,294	94,714
Shared Expenses Applied	6,795	6,282	13,861	9,935
Sub-Total Expenditures	35,000	35,096	91,155	104,649
Sub-Recipients/Sub-Grantees	-	-	669,331	669,331
Total Expenditures	35,000	35,096	760,486	773,980
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

Commodities		Commodities	
325-619		Totals	
Budget	Actual	Budget	Actual
\$ 28,685	\$ 28,685	\$ 154,840	\$ 168,232
14,626	14,626	683,957	683,957
-	-	-	-
-	-	-	198
-	-	-	-
<u>43,311</u>	<u>43,311</u>	<u>838,797</u>	<u>852,387</u>
10,898	11,184	66,079	51,066
4,155	4,362	18,736	14,461
-	-	200	313
-	-	32,400	36,000
<u>9,175</u>	<u>8,355</u>	<u>12,312</u>	<u>45,589</u>
24,228	23,901	129,727	147,429
<u>4,457</u>	<u>4,784</u>	<u>25,113</u>	<u>21,001</u>
28,685	28,685	154,840	168,430
<u>14,626</u>	<u>14,626</u>	<u>683,957</u>	<u>683,957</u>
<u>43,311</u>	<u>43,311</u>	<u>838,797</u>	<u>852,387</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
SUPPORTIVE HOUSING
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Rural Case Management Administration		Rural Case Management	
	329-690		329-691	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 12,920	\$ 12,920	\$ 24,502	\$ 24,502
Local Funds Applied	-	-	-	-
Match - In Kind	-	-	6,132	6,132
Local Revenue	-	-	-	-
Total Revenues	12,920	12,920	30,634	30,634
EXPENDITURES				
Direct Expenses				
Salaries	7,212	7,059	-	-
Direct Expenses	2,595	2,510	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total Direct Expenses	9,807	9,569	-	-
Shared Expenses Applied	3,113	3,351	-	-
Sub-total Expenditures	12,920	12,920	-	-
Sub-Recipients/Sub-Grantees	-	-	30,634	30,634
Total Expenditures	12,920	12,920	30,634	30,634
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
SUPPORTIVE HOUSING
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Single-Family Property Disposition		Supportive Housing	
	329-697		Totals	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 93,190	\$ 93,190	\$ 601,538	\$ 601,538
Local Funds Applied	-	-	-	-
Match - In Kind	27,610	27,610	107,007	107,007
Local Revenue	-	-	-	-
Total Revenues	<u>120,800</u>	<u>120,800</u>	<u>708,545</u>	<u>708,545</u>
EXPENDITURES				
Direct Expenses				
Salaries	-	-	28,299	27,581
Employee Benefits	-	-	9,172	9,220
Travel	-	-	-	273
Contracts	-	-	-	-
Other	-	-	-	-
Total Direct Expenses	-	-	37,471	37,074
Shared expenses applied	-	-	12,161	12,558
Sub-Total Expenditures	-	-	49,632	49,632
Sub-Recipients/Sub-Grantees	<u>120,800</u>	<u>120,800</u>	<u>658,913</u>	<u>658,913</u>
Total Expenditures	<u>120,800</u>	<u>120,800</u>	<u>708,545</u>	<u>708,545</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	City of Covington Administration		City of Covington Revenue	
	329-665		329-666	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ -	\$ -	\$ -	\$ -
Local Funds Applied	-	-	-	943
Match - In Kind	-	-	-	-
Local Revenue	5,230	5,230	260,269	260,269
Total Revenues	5,230	5,230	260,269	261,212
EXPENDITURES				
Direct Expenses				
Salaries	2,530	2,621	22,762	22,761
Employee Benefits	797	939	6,538	6,498
Travel	-	-	299	-
Contracts	-	-	-	-
Other	1,000	673	-	-
Total Direct Expenses	4,327	4,233	29,599	29,259
Shared Expenses Applied	903	997	8,572	9,855
Sub-Total Expenditures	5,230	5,230	38,171	39,114
Sub-Recipients/Sub-Grantees	-	-	222,098	222,098
Total Expenditures	5,230	5,230	260,269	261,212
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
LOAN PROGRAM
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	KY Housing Loan		Revolving Loan Admin.	
	145-920		180-712	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ -	\$ 67,098	\$ -	\$ -
Local Funds Applied	-	-	-	-
Interest Income	-	56	15,000	11,774
Total Revenues	<u>-</u>	<u>67,154</u>	<u>15,000</u>	<u>11,774</u>
EXPENDITURES				
Direct Expenses				
Salaries	-	-	7,078	5,672
Employee Benefits	-	-	3,167	2,165
Direct Expenses	-	-	200	314
Contracts	-	-	-	76
Other	-	50,937	1,521	1,056
Total Direct Expenses	<u>-</u>	<u>50,937</u>	<u>11,966</u>	<u>9,283</u>
Shared Expenses Applied	-	-	3,034	2,491
Sub-Total Expenditures	<u>-</u>	<u>50,937</u>	<u>15,000</u>	<u>11,774</u>
Sub-Recipients/Sub-Grantees	-	-	-	-
Total Expenditures	<u>-</u>	<u>50,937</u>	<u>15,000</u>	<u>11,774</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>16,217</u>	<u>-</u>	<u>-</u>
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ 16,217</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

Loan Program	
Totals	
Budget	Actual
\$ -	\$ 67,098
-	-
15,000	11,830
15,000	78,928
7,078	5,672
3,167	2,165
200	314
-	76
1,521	51,993
11,966	60,220
3,034	2,491
15,000	62,711
-	-
15,000	62,711
-	16,217
-	-
\$ -	\$ 16,217

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
JOINT FUNDING ADMINISTRATION
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Economic Development		CDBG	
	150-120		150-125	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 77,730	\$ 78,142	\$ 32,794	\$ 33,446
Local Funds Applied	-	-	-	125
Interest Income	-	-	-	-
Total Revenues	77,730	78,142	32,794	33,571
EXPENDITURES				
Direct Expenses				
Salaries	41,656	42,011	17,478	17,426
Employee Benefits	15,759	14,393	6,478	5,699
Direct Expenses	2,000	2,380	1,271	1,992
Contracts	-	-	-	-
Other	1,299	1,806	301	1,278
Total Direct Expenses	60,714	60,590	25,528	26,395
Shared Expenses Applied	17,016	17,552	7,266	7,176
Sub-Total Expenditures	77,730	78,142	32,794	33,571
Sub-Recipients/Sub-Grantees	-	-	-	-
Total Expenditures	77,730	78,142	32,794	33,571
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER FEDERAL CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Ky Works		Brownsfield Assessment	
	112-674		177-870	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 988,754	\$ 913,786	\$ 200,000	\$ 52,890
Local Funds Applied	-	-	-	-
Interest Income	-	-	-	2
Local Revenue	-	-	-	3,052
Total Revenues	988,754	913,786	200,000	55,944
EXPENDITURES				
Direct Expenses				
Salaries	344,090	328,007	6,397	5,052
Employee Benefits	163,834	144,117	2,728	2,052
Direct Expenses	31,892	31,892	7,500	3,434
Contracts	66,510	65,300	-	-
Other	72,630	37,747	5,475	17,730
Total Direct Expenses	678,956	607,063	22,100	28,268
Shared Expenses Applied	154,327	154,327	-	2,293
Sub-Total Expenditures	833,283	761,390	22,100	30,561
Sub-Recipients/Sub-Grantees	155,471	152,396	177,900	25,383
Total Expenditures	988,754	913,786	200,000	55,944
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report on and notes to supplementary information.

Work Now KY		Other	
412-678		Federal Contracts	
Budget	Actual	Budget	Actual
\$ 333,868	\$ 297,920	\$ 1,522,622	\$ 1,264,596
55	55	55	55
-	-	-	2
-	-	-	3,052
<u>333,923</u>	<u>297,975</u>	<u>1,522,677</u>	<u>1,267,705</u>
258,553	253,208	609,040	586,267
23,779	22,500	190,341	168,669
5,933	5,424	45,325	40,750
-	-	66,510	65,300
<u>39,978</u>	<u>11,539</u>	<u>118,083</u>	<u>67,016</u>
328,243	292,671	1,029,299	928,002
<u>5,680</u>	<u>5,304</u>	<u>160,007</u>	<u>161,924</u>
333,923	297,975	1,189,306	1,089,926
-	-	333,371	177,779
<u>333,923</u>	<u>297,975</u>	<u>1,522,677</u>	<u>1,267,705</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER STATE CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	FEMA		Drug Court Services	
	102-871		160-160	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 15,000	\$ 15,000	\$ 153,034	\$ 153,034
Local Funds Applied	-	-	-	-
Interest Income	-	-	-	-
Local Revenue	-	-	-	-
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>153,034</u>	<u>153,034</u>
EXPENDITURES				
Direct Expenses				
Salaries	7,707	7,706	-	-
Employee Benefits	2,820	2,820	-	-
Direct Expenses	500	1,268	-	-
Contracts	-	-	-	-
Other	800	48	-	-
Total Direct Expenses	11,827	11,842	-	-
Shared Expenses Applied	3,173	3,158	-	-
Sub-Total Expenditures	15,000	15,000	-	-
Sub-Recipients/Sub-Grantees	-	-	153,034	153,034
Total Expenditures	<u>15,000</u>	<u>15,000</u>	<u>153,034</u>	<u>153,034</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers To (From)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER STATE CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Homeland Security		Homeland Security	
	173-944		173-947	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ 4,000	\$ 4,000	\$ 40,000	\$ 30,905
Local Funds Applied	-	-	-	-
Interest Income	-	-	-	-
Local Revenue	-	-	-	-
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>40,000</u>	<u>30,905</u>
EXPENDITURES				
Direct Expenses				
Salaries	1,980	2,101	5,957	6,472
Employee Benefits	767	687	1,821	1,642
Direct Expenses	200	28	500	95
Contracts	-	-	-	-
Other	100	-	29,500	20,023
Total Direct Expenses	3,047	2,816	37,778	28,232
Shared Expenses Applied	953	1,184	2,222	2,673
Sub-Total Expenditures	4,000	4,000	40,000	30,905
Sub-Recipients/Sub-Grantees	-	-	-	-
Total Expenditures	<u>4,000</u>	<u>4,000</u>	<u>40,000</u>	<u>30,905</u>
Excess Revenues (Expenditures) Before Transfers To (From)	-	-	-	-
Transfers To (From)	-	-	-	-
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

KIA SWAPP		Other State Contracts	
174-956		Totals	
Budget	Actual	Budget	Actual
\$ 46,640	\$ 39,617	\$ 474,074	\$ 439,810
-	9,351	10,712	18,963
-	-	-	-
-	-	-	565
<u>46,640</u>	<u>48,968</u>	<u>484,786</u>	<u>459,338</u>
26,435	27,092	153,819	147,764
9,899	9,833	61,043	52,177
1,000	393	7,000	5,729
-	-	-	-
500	-	48,384	32,444
<u>37,834</u>	<u>37,318</u>	<u>270,246</u>	<u>238,114</u>
<u>8,806</u>	<u>11,650</u>	<u>61,506</u>	<u>68,190</u>
46,640	48,968	331,752	306,304
-	-	153,034	153,034
<u>46,640</u>	<u>48,968</u>	<u>484,786</u>	<u>459,338</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER LOCAL CONTRACTS
BY DIVISION
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	General Administration		Human Services Division	
	Various		Various	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ -	\$ (54,928)	\$ -	\$ 25
Local Funds Applied	-	2,928	5	5
Interest Income	12,000	6,205	102,204	65,686
Local Revenue	160,000	138,568	-	-
Total Revenues	<u>172,000</u>	<u>92,773</u>	<u>102,209</u>	<u>65,716</u>
EXPENDITURES				
Direct Expenses				
Salaries	-	-	6,817	2,796
Employee Benefits	-	-	2,372	1,039
Direct Expenses	-	11,474	15	84
Contracts	-	-	-	-
Other	-	37,714	61,048	30,883
Total Direct Expenses	-	49,188	70,252	34,802
Shared Expenses Applied	-	-	2,757	2,799
Sub-Total Expenditures	-	49,188	73,009	37,601
Sub-Recipients/Sub-Grantees	-	-	29,200	31,832
Total Expenditures	-	49,188	102,209	69,433
Excess Revenues (Expenditures) Before Transfers To (From)	<u>172,000</u>	<u>43,585</u>	<u>-</u>	<u>(3,717)</u>
Transfers To (From) From #320-304	-	-	-	3,717
Excess Revenues (Expenditures)	<u>\$ 172,000</u>	<u>\$ 43,585</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report on and notes to supplementary information.

Workforce Development Division		Development Services Division		Public Administration Services Division	
Various		Various		Various	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ 267	\$ -	\$ 3,083	\$ -	\$ 5,595
-	-	-	-	-	-
59,888	61,653	270,265	223,193	48,742	49,748
-	-	-	-	-	-
59,888	61,920	270,265	226,276	48,742	55,343
30,317	30,317	150,123	124,936	27,654	24,066
14,673	13,824	53,948	42,931	7,333	6,788
1,577	3,255	10,258	7,108	2,860	2,445
-	-	-	-	-	-
-	105	5,619	2,627	4,050	12,253
46,567	47,501	219,948	177,602	41,897	45,552
13,321	14,419	50,317	48,674	6,845	9,791
59,888	61,920	270,265	226,276	48,742	55,343
-	-	-	-	-	-
59,888	61,920	270,265	226,276	48,742	55,343
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER LOCAL CONTRACTS
BY DIVISION
PERIOD OF PERFORMANCE: JULY 1, 2010 TO JUNE 30, 2011**

Work Element	Case Management Division		Other Local Contracts	
	Various		Totals	
	Budget	Actual	Budget	Actual
REVENUES				
Federal and State	\$ -	\$ 292	\$ -	\$ (45,666)
Local Funds Applied	-	-	5	2,933
Interest Income	191,692	159,709	684,791	566,194
Local Revenue	-	-	160,000	138,568
Total Revenues	<u>191,692</u>	<u>160,001</u>	<u>844,796</u>	<u>662,029</u>
EXPENDITURES				
Direct Expenses				
Salaries	87,214	82,841	302,125	264,956
Employee Benefits	33,835	32,012	112,161	96,594
Direct Expenses	6,745	6,765	21,455	31,131
Contracts	-	-	-	-
Other	25,249	1,625	95,966	85,207
Total Direct Expenses	153,043	123,243	531,707	477,888
Shared Expenses Applied	38,649	36,758	111,889	112,441
Sub-Total Expenditures	191,692	160,001	643,596	590,329
Sub-Recipients/Sub-Grantees	-	-	29,200	31,832
Total Expenditures	<u>191,692</u>	<u>160,001</u>	<u>672,796</u>	<u>622,161</u>
Excess Revenues (Expenditures) Before Transfers To (From)	<u>-</u>	<u>-</u>	<u>172,000</u>	<u>39,868</u>
Transfers To (From) From #320-304	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,717</u>
Excess Revenues (Expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,000</u>	<u>\$ 43,585</u>

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF ALLOCATED COSTS CLAIMED
YEAR ENDED JUNE 30, 2011**

		<u>Costs Claimed</u>
Shared Expenses		
Salaries	\$	424,528
Employee Benefits		149,488
Travel		17,041
Contractual		68,498
Other		
Interest	\$	73,543
Miscellaneous		92,495
Depreciation		48,093
Insurance		83,482
Postage		20,945
Telephone		16,161
Consumable Supplies		35,418
Utilities		27,398
Computer Software and Hardware		14,636
Janitor Service		13,310
Equipment Purchased		30,090
Organizational Dues		1,605
Registration		4,010
Marketing and advertising		6,273
Equipment Service		1,295
Printing and Publications		<u>7,982</u>
Total Other		<u>476,736</u>
Total Shared Expenses		1,136,291
Shared Expenses Allocated (1)		<u>(1,136,291)</u>
Shared Expenses Over Applied	\$	<u><u>-</u></u>

Explanatory Notes:

- (1) Shared costs are distributed on the basis of total direct salaries and employee fringe benefits. The total shared expenses allocated is approximately 30.07% of total direct salaries and employee fringe benefits.

See independent auditors' report on and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2011**

NOTE 1 – BASIS OF ACCOUNTING

The supplementary information has been prepared in accordance with the reporting requirements of the various funding authorities. These requirements include the accrual basis of accounting and the inclusion of all reported fund sources and expenditures related to the contracts. Accordingly, the supplementary information includes the sub-grantees' reported program income, cash match and in-kind match. The supplementary information does not include statements of assets and liabilities of the programs. As such, these requirements differ from accounting principles generally accepted in the United States of America.

NOTE 2 – SUB-GRANTEE MATCH INFORMATION

As stated in Note 1 above, the supplementary information includes the reported program income and match information of the sub-grantees. With the exception of Bennett's Personal Care, Northern Kentucky Community Action Commission, Community Yellow Cab, Saint Charles Care Center, Interim Healthcare, and Active Day Adult Day Care the sub-grantees providing match information were audited by independent certified public accountants in accordance with criteria established by terms of their agreements. Their audit reports will be furnished to the Northern Kentucky Area Development District and will be available for review by the appropriate state agencies. The sub-grantees providing match under each contract are as follows:

Cabinet for Health and Family Services Contract

The Visiting Nurse Association of Greater Cincinnati, and Northern Kentucky
Legal Aid of the Bluegrass
Senior Services of Northern Kentucky, Inc.
Lifeline Homecare, Inc.
Visiting Angels, Inc.
Bennett's Personal Care
Campbell County Fiscal Court
RC Durr YMCA
Northern Kentucky Community Action Commission
Center for Independent Living Options
Community Yellow Cab
Saint Charles Care Center
Interim Healthcare
PurFood LLC (MOMS Meals)
Aging-in-Place
Active Day Adult Day Care
Community Services of Northern Kentucky

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2011
(Continued)**

NOTE 2 – SUB-GRANTEE MATCH INFORMATION (Continued)

Supportive Housing

Women's Crisis Center
NorthKey
BAWAC
Center for Independent Living Options
Northern Kentucky Community Action Commission
Transitions
Catholic Charities

Homelessness Prevention and Rapid Re-Housing Program

Legal Aid of the Bluegrass
Brighton Center
United Ministries
Northern Kentucky Community Action Commission
Center for Independent Living Options

**INDEPENDENT AUDITOR'S 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**

To the Board of Directors
Northern Kentucky Area Development District
Florence, Kentucky

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Kentucky Area Development District, as of and for the year ended June 30, 2011, which collectively comprise the Northern Kentucky Area Development District's basic financial statements and have issued our report thereon dated January 26, 2012. 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 the Northern Kentucky Area Development District'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 the Northern Kentucky Area Development District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Northern Kentucky Area Development District'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, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 was not designed to identify all deficiencies in internal control over financial reporting 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 the Northern Kentucky Area Development District'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*.

To the Board of Directors
Northern Kentucky Area Development District
Page Two

We noted certain matters that we reported to management of the Northern Kentucky Area Development District, in a separate letter dated January 26, 2012.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, 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.

VonLehman & Company Inc

Fort Mitchell, Kentucky
January 26, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
Northern Kentucky Area Development District
Florence, Kentucky

Compliance

We have audited Northern Kentucky Area Development District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Northern Kentucky Area Development District's major federal programs for the year ended June 30, 2011. The Northern Kentucky Area Development District'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 the Northern Kentucky Area Development District's management. Our responsibility is to express an opinion on the Northern Kentucky Area Development District'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 the Northern Kentucky Area Development District'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 of Northern Kentucky Area Development District's compliance with those requirements.

In our opinion, Northern Kentucky Area Development District, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control over Compliance

Management of Northern Kentucky Area Development District 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 Northern Kentucky Area Development District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the 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, 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 Northern Kentucky Area Development District's internal control over compliance.

To the Board of Directors
Northern Kentucky Area Development District
Page Two

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 was not designed to 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.

We noted certain matters that we reported to management of the Northern Kentucky Area Development District, in a separate letter dated January 26, 2012

This report is intended solely for the information and use of management, Board of Directors, others within the entity, 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.

VonLehman & Company Inc

Fort Mitchell, Kentucky
January 26, 2012

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number
U. S. Department of Agriculture		
Commodity Supplemental Food Program	10.565	PON2-03510000032851
The Emergency Food Assistance Cluster:		
CASH:		
The Emergency Food Assistance Program (Administration)	10.568	PON2-03510000032671
The Emergency Food Assistance Program (Administration) - ARRA	10.568	PON2-03510000000101
NONCASH:		
The Emergency Food Assistance Program (Food Commodities) - ARRA	10.569	PON2-03510000032671
The Emergency Food Assistance Program (Food Commodities)	10.569	PON2-03510000000101
Sub-total		
Sub-total		
U. S. Department of Commerce		
Passed through Governors Office of Local Development:		
Economic Development Administration - 301B	11.302	PON2-1000003945
Economic Adjustment Assistance-		
Revolving loan fund	11.307	04-19-59014
Sub-total		
U. S. Department of Housing and Urban Development		
Passed through Kentucky Housing Corporation:		
Supportive Housing (Planks I)	14.235	SH09-0143-01
Supportive Housing (Rural Case Management)	14.235	SH09-0143-02
Supportive Housing (Single-Family Property Disposition Program)	14.235	SH09-0557-01
Sub-total		
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	KH09-0143-01
Sub-total		
Passed through Governors Office of Local Development:		
Community Development Block Grant	14.228	PON2-1000003945
Sub-total		
U. S. Department of Labor		
Passed through Kentucky Cabinet for Workforce Development		
WIA Cluster:		
Workforce Investment Act - Adult Program - ARRA	17.258	270S9
Workforce Investment Act - Adult Program	17.258	27010
Workforce Investment Act - Adult Program	17.258	27310
Workforce Investment Act - Adult Program	17.258	27311
Workforce Investment Act - Adult Program	17.258	27011
Workforce Investment Act - Youth Activities - ARRA	17.259	274S9
Workforce Investment Act - Youth Activities	17.259	27411
Workforce Investment Act - Youth Activities	17.259	27410
Workforce Investment Act - Dislocated Workers	17.260	25811
Workforce Investment Act - Dislocated Workers	17.260	27110
Workforce Investment Act - Dislocated Workers - ARRA	17.260	272S9
Workforce Investment Act - Dislocated Workers	17.260	27210

* Denotes a Major Program (1) Type A Program (\$300,000 or greater) (2) Type B Program (all others)

The accompanying notes to schedule of expenditures of federal awards are an integral part of this statement.

Program Award Amounts	Federal Expenditures		
\$ 57,500	\$ 35,096	(2)	
150,000	104,451	(1)	*
28,685	28,685	(1)	*
	669,331	(1)	*
	<u>14,626</u>	(1)	*
	<u>817,093</u>		
	852,189		
63,000	63,000	(2)	
500,000	<u>496,975</u>	(1)	*
	559,975		
451,318	451,318	(1)	*
27,422	27,422	(1)	*
92,797	<u>92,797</u>	(1)	*
	571,537		
1,376,000	<u>559,250</u>	(1)	*
	1,130,787		
16,723	<u>16,723</u>	(2)	
	1,147,510		
412,397	245,947	(1)	*
59,194	6,201	(1)	*
533,341	289,726	(1)	*
399,780	285,204	(1)	*
84,133	83,464	(1)	*
430,686	73,655	(1)	*
481,878	217,841	(1)	*
340,203	91,338	(1)	*
798,100	299,598	(1)	*
2,906,114	1,451,048	(1)	*
957,478	92,168	(1)	*
259,846	24,979	(1)	*

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number
Passed through Kentucky Cabinet for Workforce Development (continued)		
WIA Cluster (continued):		
Workforce Investment Act - Dislocated Workers	17.260	EM-20029-7S0
Workforce Investment Act - Dislocated Workers	17.278	27211
Workforce Investment Act - Dislocated Workers	17.278	27111
Sub-total		
Workforce Investment Act - Incentive Grants	17.267	251P109
Trade Adjustment Assistance	17.245	20510
Trade Adjustment Assistance	17.245	20508
Trade Adjustment Assistance	17.245	20509
Sub-total		
U. S. Environmental Protection Agency		
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF95461810-0
U. S. Department of Health and Human Services		
Passed through Kentucky Cabinet for Health and Family Services:		
Aging Cluster:		
Title III, Part B Support Services	93.044	PON2-725 10000020012
Title III, Part B Support Services (Administration)	93.044	PON2-725 10000020012
Title III, Part C Nutrition Services	93.045	PON2-725 10000020012
Title III, Part C Nutrition Services	93.045	PON2-725 10000020012
Nutrition Services Incentive Program, NSIP	93.053	PON2-725 10000020012
Sub-total		
Title VII, Elder Abuse Prevention	93.041	PON2-725 10000020012
Title VII, Ombudsman	93.042	PON2-725 10000020012
Title VII, Ombudsman Education	93.042	PON2-725 10000020012
Title III, Part E Family Caregiver Support (Administration)	93.052	PON2-725 10000020012
Title III, Part E Family Caregiver Support	93.052	PON2-725 10000020012
Title III, Part D Preventive Health	93.043	PON2-725 10000020012
Affordable Care Act, AAA - (MIPPA 2)	93.518	PON2-725 10000020012
Affordable Care Act, ADRC - (MIPPA 2)	93.518	PON2-725 10000020012
Affordable Care Act, SHIP - (MIPPA 2)	93.779	PON2-725 10000020012
Centers for Medicare & Medicaid Services, CMS - (SHIP)	93.779	PON2-725 10000020012
Centers for Medicare & Medicaid Services, CMS SHIP - (MIPPA)	93.779	PON2-725 10000020012
Centers for Medicare & Medicaid Services, CMS ADRC/AAA - (MIPPA)	93.779	PON2-725 10000020012
Medicare Enrollment Assistance Program, AOA ADRC - (MIPPA)	93.071	PON2-725 10000020012
Medicare Enrollment Assistance Program, AOA AAA - (MIPPA)	93.071	PON2-725 10000020012
Title IV & Title II Discretionary Projects - ADRC	93.048	PON2-725 10000020012
Temporary Assistance for Needy Families - Work Now KY	93.558	PON2-7361000001484-1
Temporary Assistance for Needy Families - KY Works	93.558	PON2-7361000001484-1
Chronic Disease Self Management Grant - ARRA	93.725	PON2-725 10000020012
Section Q Money Follows Person	93.791	PON2-725 10000020012
Sub-total		
Total Federal Expenditures		
Total Federal Expenditures - Cash		
Total Federal Expenditures - Non-cash		

* Denotes a Major Program (1) Type A Program (\$300,000 or greater) (2) Type B Program (all others)

The accompanying notes to schedule of expenditures of federal awards are an integral part of this statement.

Program Award Amounts	Federal Expenditures		
\$ 251,800	\$ 191,528	(1)	*
278,143	224,994	(1)	*
737,168	534,753	(1)	*
	4,112,444		
8,000	7,955	(2)	
446,016	318,287	(1)	
85,443	636	(1)	
366,388	99,560	(1)	
	4,538,882		
200,000	52,890	(2)	
420,318	407,164	(1)	
88,209	87,497	(1)	
252,245	252,245	(1)	
238,137	238,137	(1)	
117,843	115,372	(1)	
	1,100,415		
5,938	5,082	(2)	
11,035	11,035	(2)	
9,129	6,696	(2)	
13,095	12,962	(2)	
132,203	125,641	(2)	
27,394	26,737	(2)	
11,337	4,660	(2)	
9,595	-	(2)	
12,862	12,862	(2)	
43,735	43,735	(2)	
7,092	7,092	(2)	
4,844	4,844	(2)	
18,410	14,912	(2)	
6,162	6,162	(2)	
10,000	10,239	(2)	
2,406,204	297,920	(1)	
1,203,102	913,786	(1)	
40,555	18,020	(2)	*
11,420	4,095	(2)	
	2,626,895		
	\$ 9,778,341		
	\$ 9,094,384		
	\$ 683,957		

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Northern Kentucky Area Development District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. Although many of these programs are jointly funded by Federal, Kentucky and local sources, only Federal expenditures are reported on this schedule. The amounts shown are based on the Federal share of the combined allocations.

NOTE 2 – SUB-GRANTEES/SUB-RECIPIENTS

Northern Kentucky Area Development District provided federal and state funds to sub-grantees/sub-recipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Commodities	10.569	\$ 683,957 (F)
Nutrition Services Incentive Program, NSIP	93.053	115,372 (F)
Supportive Housing	14.235	551,906 (F/S)
Workforce Investment Act	17.258, 17.259, 17.260, 17.245	3,271,129 (F/S)
Brownfields Assessment and Cleanup Co-op. Agreements	66.818	25383 (F)
Title VII, Elder Abuse Prevention	93.041	5,082 (F)
Title VII, Ombudsman	93.042	11,035 (F)
Title III, Part B Support Services	93.044	366,890 (F/S)
Title III, Part C Nutrition Services	93.045	528,381 (F/S)
Title III, Part E Caregiver Support	93.052	69,602 (F/S)
Title III, Part D Preventive Health	93.043	34,867 (F/S)
Homelessness Prevention and Rapid Re-housing Centers for Medicare and Medicaid Services, CMS - SHIP	93.779	41,548 (F)
MIPPA	93.779, 93.071	7,092 (F)
MIPPA 2	93.779, 93.518	15,922 (F)
Temporary Assistance for Needy Families – KY Works	93.558	<u>152,396</u> (F)
Total		<u>\$6,363,508</u>

(F) Federal Funds, (F/S) Federal and State Funds

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2011
(Continued)**

NOTE 3 – REVOLVING LOAN FUND CALCULATION

Balance of loans outstanding	\$ 324,306
Plus: Cash and investment balance	160,894
Plus: Administrative expenses	11,775
Less: Loans written off during the fiscal year	<u> -</u>
Subtotal	496,975
Multiplied by federal share of initial capitalization	<u> 100%</u>
Total	<u>\$ 496,975</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2011**

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS	
Type of Financial Statement Opinion	Unqualified
Were there any material weaknesses reported at the financial statements level (GAGAS)?	No
Were there any control deficiencies identified, not considered to be material weaknesses, reported at the financial statement level (GAGAS)?	No
Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
FEDERAL AWARDS	
Were there any material weaknesses reported for major federal programs?	No
Were there any control deficiencies identified, not considered to be material weaknesses reported for major programs?	No
Type of Major Programs Compliance Opinion	Unqualified
Are there any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510?	No
Major Programs (list):	Workforce Investment Act [CFDA 17.258, 17.259, 17.260, and 17.278], Homelessness Prevention and Rapid Re-Housing Program - ARRA [CFDA 14.257], Emergency Food Assistance Program [CFDA 10.568 and 10.569], Supportive Housing Program [CFDA 14.235], Economic Adjustment Assistance [CFDA 11.307], Communities Putting Prevention to Work: Chronic Disease Self-Management Program [CFDA 93.725]
Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: > all others
Low Risk Auditee?	Yes

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters to be reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters to be reported.

**NORTHERN KENTUCKY AREA DISTRICT DEVELOPMENT
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010**

PRIOR YEAR – FINANCIAL STATEMENT FINDINGS

None

PRIOR YEAR – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None