

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2012

WITH

Independent Auditors' Reports

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2012

WITH

Independent Auditors' Reports

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NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2012

WITH

Independent Auditors' Reports

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INDEPENDENT AUDITORS' 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, 2012, 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, 2012, 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 February 7, 2013, 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 1 through 4 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.

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.

REQUIRED SUPPLEMENTARY INFORMATION

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

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, 2012. Please read it in conjunction with the NKADD's financial statements, which begins on page 6.

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 \$2,217,924. The beginning net assets were \$1,959,908. The unrestricted fund balance as of June 30, 2012 was \$1,774,534 compared to \$1,593,109 at the end of FY 2011.

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

	FY '12	FY '11
Assets		
Current Assets	\$4,081,211	\$3,831,134
Non-Current Assets	<u>1,758,021</u>	<u>1,717,737</u>
Total	<u>\$5,839,232</u>	<u>\$5,548,871</u>
Liabilities		
Current Liabilities	\$2,291,308	\$2,213,463
Non-Current Liabilities	<u>1,330,000</u>	<u>1,375,500</u>
Total	<u>\$3,621,308</u>	<u>\$3,588,963</u>
Net Assets		
Investment in capital assets, net of related debt Restricted	\$ 79,377	\$ 41,522
Loan program	364,013	325,277
Unrestricted	<u>1,774,534</u>	<u>1,593,109</u>
Total	<u>\$2,217,924</u>	<u>\$1,959,908</u>

Total governmental funds revenue for the period ending June 30, 2012 was \$16,976,892. For the previous fiscal year, the total revenue was \$18,035,233. This results in a 5.86% decrease in revenues. The decrease was due to the completion of the Homeless Prevention and Rapid Re-Housing Program and the Workforce Rapid Response Program. In addition, the Consumer Directed Options Program, which has seen significant increases in past years, has seen only modest increases this fiscal year.

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 6 and 7) 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 8. 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.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

Reporting the NKADD as a Whole

Our analysis of the NKADD financial statements as a whole begins on page 6. 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.

Reporting the NKADD's Most Significant Funds

Our analysis of the NKADD's major funds and the fund financial statements begin on page 8 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 9 and 11.
- 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 8 and on the statement of revenues, expenditures and changes of fund balances on page 10. 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.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

General Fund Budgetary Highlights

In Fiscal Year 2012, the NKADD had an initial total budget projected of \$17,611,662 in revenues and \$17,585,968 in expenditures, with net change in fund balance of \$25,694. Of these dollars \$12,000,000 was projected pass-thru. During Fiscal Year 2012, the budget was amended to increase revenues to \$17,754,579 and decrease expenditures to \$17,566,479. The actual revenues on the budgetary basis for Fiscal Year 2012 were \$16,503,508 and \$16,327,735 in actual expenditures. This decrease was due to the completion of two programs, and only a modest increase in the Consumer Directed Options program.

CAPITAL ASSETS

The capital assets of the NKADD are its office building, the land it sits upon, computer equipment, furnishings, and computer software. The land has a historical cost of \$226,975 for both June 30, 2012 and June 30 2011. This represents the only capital asset not depreciated. The office building has a historical cost of \$1,591,066 for both June 30, 2012 and June 30, 2011. The accumulated depreciation for the office building at June 30, 2012 was \$523,457 and at June 30, 2011 was \$475,364. The increase of \$48,093 was depreciation expense for fiscal year 2012. Computer equipment has a historical cost of \$738,468 for June 30, 2012 and \$736,478 for June 30, 2011. During the fiscal year there were additions to computer equipment for \$43,955 and disposals of \$41,965. Accumulated depreciation for computer equipment was \$676,715 at June 30, 2012 and \$671,001 at June 30, 2011. Accumulated depreciation for computer equipment increased for depreciation of \$47,679 and decreased for disposals of \$41,965. Furniture and fixtures have a historical cost of \$270,014 for June 30, 2012 and \$252,137 for June 30, 2011. During the fiscal year there were additions to furniture and fixtures for \$21,032 and disposals of \$3,155. The accumulated depreciation for furniture and fixtures was \$210,133 at June 30, 2012 and \$200,269 at June 30, 2011. Accumulated depreciation for furniture and fixtures increased for depreciation of \$13,019 and decreased for disposals of \$3,155. Computer software has a historical cost of \$42,173 for June 30, 2012 and \$0 for June 30, 2011. During the fiscal year there were additions to computer software for \$42,173. The accumulated depreciation for computer software was \$3,514 at June 30, 2012 and \$0 at June 30, 2011. Accumulated depreciation for computer software increased for depreciation of \$3,514.

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 \$1,375,500 at June 30, 2012 and \$1,418,500 at June 30, 2011. The \$43,000 decrease represents the principal payment made during Fiscal Year 2012. The debt service total principal and interest for Fiscal Year 2013 will be \$114,741.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

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. The decreases this fiscal year were due to the completion of the Homeless Prevention and Rapid Re-Housing Program and the Workforce Rapid Response Program. In addition, the Consumer Directed Options Program, which has seen significant increases in past years, has seen only modest increases this fiscal year, and not enough to offset the funding decrease realized from the end of two previous programs. For Fiscal Year 2013, budgeted revenues are \$17,155,769 and expenditures are \$17,098,000. The difference between Fiscal Year 2013 budgeted revenues and expenditures is \$57,769.

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 2013 is 19.55%. This represents a 3.1% increase. In Fiscal Year 2014, the CERS rate will decline to 18.89%.

With respect to Fiscal Year 2013, the state budget cuts implemented in the FY 2013 state budget cycle have impacted the NKADD's funding, with the budget cuts to state dollars being decreased in programs, most notably, the Joint Funding Administration (JFA) program. With a two-year budget cycle, additional cuts at this time for state funds are not anticipated unless federal cuts or other unforeseen circumstances arise that require a modification to the state budget.

On the federal level, impacts could be greater for both the current year and Fiscal Year 2014, due to the sequestration and debt ceiling issues. 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. Unrestricted net assets as of June 30, 2012 totaled \$1,774,534 compared to \$1,593,109 at the end of Fiscal Year 2011. 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.

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2012**

	Primary Governmental
- ASSETS -	
Current assets:	
Cash and cash equivalents	\$ 1,571,159
Cash - building reserve account	122,405
Accounts receivable	2,295,248
Prepaid expenses	32,501
Loans receivable	59,898
Total current assets	4,081,211
Noncurrent Assets:	
Loans receivable	303,144
Capital assets, net	1,454,877
Total non-current assets	1,758,021
Total assets	\$ 5,839,232
 - LIABILITIES -	
Current liabilities:	
Accounts payable	\$ 1,583,097
Accrued expenses	175,001
Funds received in excess of revenues earned	367,526
Employees accrued annual leave	120,184
Current portion of notes payable	45,500
Total current liabilities	2,291,308
Noncurrent liabilities:	
Notes payable	1,330,000
Total liabilities	\$ 3,621,308
 - NET ASSETS -	
Investment in capital assets, net of related debt	\$ 79,377
Restricted for:	
Loan program	364,013
Unrestricted	1,774,534
Total net assets	\$ 2,217,924

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

	Program Revenues		Expenses		Net (Expense) Revenue and Changes in Net Assets Total
	Charges for Services	Operating Grants and Contributions			
Functions					Governmental Activities
Governmental Activities					
Cabinet for Health and Family Services	\$ 9,123,591	\$ 9,435,093	\$ 9,123,591		\$ 311,560
Workforce Investment Act	3,224,698	3,224,698	3,224,698		-
Commodities	518,580	518,476	518,580		-
Supportive Housing	570,868	570,868	570,868		-
Homelessness Prevention and Rapid Re-Housing Program	686,644	441,748	686,644		-
Loan Program	21,825	37,400	21,825		39,853
Joint Funding Administration	285,442	285,442	285,442		-
Other Federal Contracts	1,058,045	1,058,043	1,058,045		-
Other State Contracts	403,533	403,533	403,533		-
Other Local Contracts	765,503	63,947	765,503		(214,903)
Total governmental activities	<u>16,658,729</u>	<u>16,039,248</u>	<u>16,658,729</u>	<u>755,991</u>	<u>136,510</u>
GENERAL REVENUES:					
Municipal contributions					120,087
Interest income					1,419
Total general revenues					<u>121,506</u>
Change in net assets					258,016
NET ASSETS, BEGINNING					<u>1,959,908</u>
NET ASSETS, ENDING					<u>\$ 2,217,924</u>

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

	<u>Governmental Grant Administration</u>
PROGRAM EXPENSES:	
Governmental activities:	
CHFS - other sub-grantees	\$ 6,852,626
WIA sub-grantees	1,876,660
Commodities	351,559
Supportive Housing sub-grantees	523,176
HPRP sub-grantees	588,273
Other Federal Contracts sub-grantees	205,088
Other State Contracts sub-grantees	180,927
Direct salaries	2,859,378
Direct employee benefits	1,038,422
Direct travel	204,502
Direct contracts	118,415
Direct other	505,108
Uncollectible funds	163,927
Shared expenses	1,078,363
Depreciation expense	112,305
Total governmental activities	16,658,729
 PROGRAM REVENUES:	
Federal and state revenues	15,541,808
Federal commodities	351,559
Revolving loan income	37,400
Local revenue	812,416
Interest income	24,444
Net program income	108,898
 GENERAL REVENUES:	
Municipal contributions	147,699
Interest income	1,419
Total general revenues	149,118
 Change in net assets	 258,016
 Net assets - beginning of year	 1,959,908
 Net assets - ending	 \$ 2,217,924

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012**

	General	Special Revenue	Total Governmental Funds
- ASSETS -			
Cash and cash equivalents	\$ 1,571,159	\$ -	\$ 1,571,159
Cash - building reserve account	122,405	-	122,405
Accounts receivable	2,295,248	-	2,295,248
Prepaid expenses	32,501	-	32,501
Loans receivable	-	363,042	363,042
Due (to)/from other funds	(176,746)	176,746	-
Total assets	<u>\$ 3,844,567</u>	<u>\$ 539,788</u>	<u>\$ 4,384,355</u>
- LIABILITIES AND FUNDS EQUITY -			
- LIABILITIES -			
Accounts payable	\$ 1,583,097	\$ -	\$ 1,583,097
Accrued expenses	175,001	-	175,001
Funds received in excess of revenues earned	243,471	124,055	367,526
Employees accrued annual leave	120,184	-	120,184
Total liabilities	<u>2,121,753</u>	<u>124,055</u>	<u>2,245,808</u>
- FUND BALANCES -			
Non-spendable			
Prepaid expenses	32,501	-	32,501
Restricted			
Loan program	-	364,013	364,013
Building reserve	110,160	-	110,160
Assigned			
Working capital	-	51,720	51,720
Unassigned	1,580,153	-	1,580,153
Total fund balances	<u>1,722,814</u>	<u>415,733</u>	<u>2,138,547</u>
Total liabilities and fund balances	<u>\$ 3,844,567</u>	<u>\$ 539,788</u>	<u>\$ 4,384,355</u>

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE
TO NET ASSETS
JUNE 30, 2012**

Total fund balance - governmental funds \$ 2,138,547

*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. 1,454,877

Long term liabilities are not due and payable in the current period and,
therefore, they are not reported in the governmental funds balance sheet. (1,375,500)

Net assets of governmental activities \$ 2,217,924

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, 2012**

	General	Special Revenue	Totals
REVENUES:			
Applied to all programs:			
Federal and state revenues	\$ 15,541,808	\$ 97,547	\$ 15,639,355
Federal commodities	351,559	-	351,559
Interest income	1,585	24,278	25,863
Local revenues	960,115	-	960,115
Net revenues	<u>16,855,067</u>	<u>121,825</u>	<u>16,976,892</u>
EXPENDITURES:			
CHFS - other sub-grantees	6,852,626	-	6,852,626
WIA sub-grantees	1,876,660	-	1,876,660
Commodities	351,559	-	351,559
Supportive Housing sub-grantees	523,176	-	523,176
HPRP sub-grantees	588,273	-	588,273
Other Federal Contracts sub-grantees	205,088	-	205,088
Other State Contracts sub-grantees	180,927	-	180,927
Revolving loans	-	100,000	100,000
Direct salaries	2,847,862	11,516	2,859,378
Direct employee benefits	1,033,912	4,510	1,038,422
Direct travel	204,342	160	204,502
Direct contracts	118,119	296	118,415
Direct other	516,643	472	517,115
Direct local non-grant expenses	68,220	-	68,220
Uncollectible governmental funds	163,927	-	163,927
Shared expenses	1,147,960	4,871	1,152,831
Total expenditures	<u>16,679,294</u>	<u>121,825</u>	<u>16,801,119</u>
Excess of revenues	<u>175,773</u>	<u>-</u>	<u>175,773</u>
OTHER FINANCING SOURCES (USES):			
Operating sources in	48,652	38,736	87,388
Operating uses out	(43,000)	-	(43,000)
Net other financing sources (uses)	<u>5,652</u>	<u>38,736</u>	<u>44,388</u>
Net change in fund balances	181,425	38,736	220,161
Fund balances - beginning of year	<u>1,541,389</u>	<u>376,997</u>	<u>1,918,386</u>
Fund balances - end of year	<u>\$ 1,722,814</u>	<u>\$ 415,733</u>	<u>\$ 2,138,547</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, 2012**

Net change in fund balances - total government funds \$ 220,161

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 (\$112,305) exceeded capital outlays and adjustments (\$107,160). (5,145)

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. 43,000

Change in Net Assets of Governmental Activities \$ 258,016

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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 areas 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. Net costs, if any, (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.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

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:

Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – includes amounts that can be spent only for specific purposes stipulated by creditors, grantors, contributors or by enabling legislation or by constitutional provisions.

Committed – includes amounts that can be used for specific purposes pursuant to constraints imposed by the board of directors.

Assigned –includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned – includes amounts that are available for any purpose and has not been restricted, committed, or assigned to specific purposes.

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.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2012 the NKADD held no cash equivalents.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Accounts Receivable: Management considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations, as uncollectible governmental funds, 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
Computer software	10 years

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.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 2 - CASH, CASH EQUIVALENT AND INVESTMENTS (CONTINUED)

As of June 30, 2012, the carrying amount of the Northern Kentucky Area Development District's deposits totaled \$1,693,564 and the bank balances totaled \$1,957,014.

The NKADD's interest bearing accounts of \$1,957,014 at June 30, 2012 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, 2012.

The NKADD leases office space for the One Stop and Kentucky Works programs under five year rental agreements. The current year lease expense was \$48,728. The approximate future minimum lease payments relative to these leases as of June 30, 2012 are summarized as follows:

<u>Fiscal Year Ending June 30</u>	
2013	\$ 40,408
2014	25,060
2015	20,400
2016	<u>13,600</u>
	<u>\$ 99,468</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 (18.96% at June 30, 2012) 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.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 4 - RETIREMENT PLANS (CONTINUED)

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>June 30, 2010</u>	<u>June 30, 2011</u>	<u>June 30, 2012</u>
Assets available for benefits	\$ 7,296,321,679	\$ 7,409,156,576	\$ 7,294,614,896
Pension benefit obligation	<u>(11,131,174,187)</u>	<u>(11,777,126,077)</u>	<u>(12,149,559,743)</u>
Assets under benefit obligations	<u>\$ (3,834,852,508)</u>	<u>\$ (4,367,969,501)</u>	<u>\$ (4,854,944,847)</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, 2011 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 \$575,299, \$482,020, and \$437,220 for the fiscal years ended June 30, 2012, 2011 and 2010, respectively.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012**

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets at historical cost 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 software	-	42,173	-	42,173
Computer equipment	736,478	43,955	(41,965)	738,468
Furniture and fixtures	<u>252,137</u>	<u>21,032</u>	<u>(3,155)</u>	<u>270,014</u>
Total capital assets being depreciated	<u>2,579,681</u>	<u>107,160</u>	<u>(45,120)</u>	<u>2,641,721</u>
Less accumulated depreciation for:				
Buildings and improvements	(475,364)	(48,093)	-	(523,457)
Computer software	-	(3,514)	-	(3,514)
Computer equipment	(671,001)	(47,679)	41,965	(676,715)
Furniture and fixtures	<u>(200,269)</u>	<u>(13,019)</u>	<u>3,155</u>	<u>(210,133)</u>
Total accumulated depreciation	<u>(1,346,634)</u>	<u>(112,305)</u>	<u>45,120</u>	<u>(1,413,819)</u>
Other capital assets, net	<u>1,233,047</u>	<u>(5,145)</u>	<u>_____</u>	<u>1,227,902</u>
Governmental activities capital assets, net	<u>\$1,460,022</u>	<u>\$ (5,145)</u>	<u>\$ _____</u>	<u>\$ 1,454,877</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	\$ 980,140	\$ (30,000)	\$ 950,140
Series B	<u>438,360</u>	<u>(13,000)</u>	<u>425,360</u>
	<u>\$1,418,500</u>	<u>\$ (43,000)</u>	<u>\$1,375,500</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2012**

NOTE 6 - NOTE PAYABLE (CONTINUED)

The schedule of payments of the Bonds is as follows:

Debt Service to Maturity

Year Ending <u>June 30</u>	USDA Series A		USDA Series B		Total	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	38,000	39,057	17,500	19,873	55,500	58,930
2017-2021	225,000	163,048	102,500	84,751	327,500	247,799
2022-2026	288,000	97,589	136,500	54,341	424,500	151,930
2027-2031	<u>262,140</u>	<u>20,216</u>	<u>109,360</u>	<u>14,931</u>	<u>371,500</u>	<u>35,147</u>
	<u>\$950,140</u>	<u>\$494,718</u>	<u>\$425,360</u>	<u>\$261,606</u>	<u>\$1,375,500</u>	<u>\$ 756,324</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	
	<u>General Fund</u>	<u>Special Revenue Fund Types</u>
Principal payment on USDA financing	\$(43,000)	\$ -
Transfer from general fixed assets	48,093	-
Net Revolving loan principle activity	-	38,736
Sundry	<u>559</u>	<u>-</u>
Net other financing sources	<u>\$ 5,652</u>	<u>\$ 38,736</u>

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2012

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, 2012 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.

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 '12 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 \$364,013 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.

NOTE 10 – SUBSEQUENT EVENTS

The date to which events occurring after June 30, 2012, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosure is February 7, 2013 which is the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Fund balance July 1, 2011	\$ 1,541,389	\$ 1,541,389	\$ 1,541,389	\$ -
RESOURCES (inflows):				
Federal and state revenues	4,645,799	5,277,547	5,315,058	37,511
Local contract revenue	788,863	900,798	805,090	(95,708)
Local contribution revenue	160,000	160,000	147,699	(12,301)
Annual meeting	12,000	12,000	7,326	(4,674)
Miscellaneous revenue	5,000	50	1,585	1,535
Pass-through revenue	12,000,000	11,404,184	10,226,750	(1,177,434)
Total resources	17,611,662	17,754,579	16,503,508	(1,251,071)
Amounts available for use	19,153,051	19,295,968	18,044,897	(1,251,071)
EXPENDITURES (outflows):				
Direct salaries	2,656,577	2,848,309	2,847,862	447
Direct employee benefits	1,111,489	1,072,178	1,033,912	38,266
Direct travel	123,522	177,836	204,342	(26,506)
Direct contracts	108,287	129,246	118,119	11,127
Uncollectible governmental funds	-	-	163,927	(163,927)
Direct other	321,420	668,482	473,643	194,839
Direct local non-grant expenses	42,100	42,100	68,220	(26,120)
Shared expenses	1,169,333	1,170,904	1,147,960	22,944
Building principal and reserve	53,240	53,240	43,000	10,240
Pass-through expenditures	12,000,000	11,404,184	10,226,750	1,177,434
Total expenditures before other sources	17,585,968	17,566,479	16,327,735	1,238,744
Net other financing sources	-	-	(5,652)	5,652
Net expenditures	17,585,968	17,566,479	16,322,083	1,244,396
Budgetary fund balance June 30, 2012	\$ 1,567,083	\$ 1,729,489	\$ 1,722,814	\$ (6,675)

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2012**

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 General Fund budgetary comparison schedule.

OTHER SUPPLEMENTAL INFORMATION

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**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, 2012, 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
February 7, 2013

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY GRANT
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED JUNE 30, 2012**

REFERENCE	Cabinet for Health and Family Services <u>Pages 26-31</u>	Workforce Investment Act <u>Pages 50-55</u>	Commodities <u>Pages 72-73</u>	Supportive Housing <u>Pages 74-76</u>	Homelessness Prevention and Rapid Re- Housing Program <u>Pages 78-79</u>
REVENUES:					
Federal and state	\$ 9,420,502	\$ 3,210,175	\$ 166,917	\$ 570,868	\$ 438,931
Federal commodities	-	-	351,559	-	-
Local funds applied	13,875	1,765	-	-	2,817
Match - cash	415,130	-	-	-	-
Match - In kind	348,159	-	-	105,305	-
Program income	104,765	-	-	-	-
Interest income	58	-	104	-	-
Local revenue	716	12,758	-	-	244,896
Total revenues	<u>10,303,205</u>	<u>3,224,698</u>	<u>518,580</u>	<u>676,173</u>	<u>686,644</u>
EXPENDITURES:					
Direct Expenses:					
Salaries	1,133,096	723,542	49,048	26,259	54,484
Employee benefits	428,861	219,082	15,613	9,314	16,427
Travel	83,510	26,830	601	448	409
Contracts	1,651	20,659	36,045	-	-
Uncollectible governmental funds	-	-	-	-	-
Other	125,884	129,898	44,997	621	4,259
Total direct expenses	<u>1,773,002</u>	<u>1,120,011</u>	<u>146,304</u>	<u>36,642</u>	<u>75,579</u>
Shared expenses applied	<u>494,246</u>	<u>228,027</u>	<u>20,717</u>	<u>11,050</u>	<u>22,792</u>
Sub-total expenditures	<u>2,267,248</u>	<u>1,348,038</u>	<u>167,021</u>	<u>47,692</u>	<u>98,371</u>
Sub-recipients/sub-grantees	<u>7,720,680</u>	<u>1,876,660</u>	<u>351,559</u>	<u>628,481</u>	<u>588,273</u>
Total expenditures	<u>9,987,928</u>	<u>3,224,698</u>	<u>518,580</u>	<u>676,173</u>	<u>686,644</u>
Excess revenues (expenditures) before transfers to (from)	<u>315,277</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>\$ 311,560</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report and notes to supplementary information.

<u>Loan Program</u> <u>Pages 80-81</u>	<u>Joint Funding</u> <u>Administration</u> <u>Pages 82-83</u>	<u>Other Federal</u> <u>Contracts</u> <u>Pages 84-85</u>	<u>Other State</u> <u>Contracts</u> <u>Pages 86-89</u>	<u>Other Local</u> <u>Contracts</u> <u>Pages 90-92</u>	<u>Shared Expenses</u> <u>Page 93</u>	<u>Revenues and</u> <u>Expenditures</u> <u>Total</u>
\$ 97,547	\$ 285,442	\$ 1,054,595	\$ 394,378	\$ -	\$ -	\$ 15,639,355
-	-	-	-	-	-	351,559
-	-	-	9,155	(27,612)	-	-
-	-	-	-	-	-	415,130
-	-	-	-	-	-	453,464
-	-	-	-	-	-	104,765
24,278	-	2	-	1,421	-	25,863
-	-	3,448	-	698,297	-	960,115
<u>121,825</u>	<u>285,442</u>	<u>1,058,045</u>	<u>403,533</u>	<u>672,106</u>	<u>-</u>	<u>17,950,251</u>
11,516	146,415	350,068	112,322	252,628	508,281	3,367,659
4,510	58,189	149,913	39,066	97,447	145,369	1,183,791
160	9,753	33,818	5,546	43,427	14,977	219,479
296	-	59,764	-	-	73,934	192,349
-	-	-	-	163,927	-	163,927
472	5,706	100,791	18,149	154,558	410,270	995,605
16,954	220,063	694,354	175,083	711,987	1,152,831	6,122,810
4,871	65,379	158,603	47,523	99,623	(1,152,831)	-
21,825	285,442	852,957	222,606	811,610	-	6,122,810
100,000	-	205,088	180,927	-	-	11,651,668
121,825	285,442	1,058,045	403,533	811,610	-	17,774,478
-	-	-	-	(139,504)	-	175,773
-	-	-	-	3,717	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (135,787)</u>	<u>\$ -</u>	<u>\$ 175,773</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

REFERENCE	Title III		Title VII	
	Pages 32-35		Pages 36-37	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 1,652,182	\$ 1,509,217	\$ 24,699	\$ 20,977
Local funds applied	4,432	3,975	9	37
Match - cash	382,660	369,223	4,030	4,030
Match - In kind	321,098	323,082	1,126	1,126
Program income	40,841	34,110	-	-
Interest income	10	11	-	-
Local revenue	1,091	716	-	-
Total revenues	2,402,314	2,240,334	29,864	26,170
EXPENDITURES:				
Direct Expenses:				
Salaries	211,212	207,945	548	474
Employee benefits	89,805	81,968	138	127
Travel	17,855	13,122	-	-
Contracts	1,651	1,651	-	-
Other	50,435	31,196	8,235	4,735
Total direct expenses	370,958	335,882	8,921	5,336
Shared expenses applied	98,108	92,309	217	201
Sub-total expenditures	469,066	428,191	9,138	5,537
Sub-recipients/sub-grantees	1,929,531	1,808,426	20,726	20,633
Total expenditures	2,398,597	2,236,617	29,864	26,170
Excess revenues (expenditures) before transfers to (from)	3,717	3,717	-	-
Transfers to (from)	(3,717)	(3,717)	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and notes to supplementary information.

NSIP		Homecare		Adult Day Care	
320-319		Pages 38-39		Pages 40-41	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 100,122	\$ 100,122	\$ 1,362,810	\$ 1,305,938	\$ 133,984	\$ 123,804
-	-	9,206	9,206	-	-
-	-	41,876	41,877	-	-
-	-	16,881	16,881	-	-
-	-	9,930	9,930	272	272
-	-	-	2	24	24
-	-	-	-	-	-
<u>100,122</u>	<u>100,122</u>	<u>1,440,703</u>	<u>1,383,834</u>	<u>134,280</u>	<u>124,100</u>
-	-	291,220	294,084	13,867	13,997
-	-	113,734	113,318	5,531	5,396
-	-	29,254	27,637	-	-
-	-	-	-	-	-
-	-	33,004	26,330	-	-
-	-	467,212	461,369	19,398	19,393
-	-	125,722	128,446	6,239	6,247
-	-	592,934	589,815	25,637	25,640
<u>100,122</u>	<u>100,122</u>	<u>847,769</u>	<u>794,019</u>	<u>108,643</u>	<u>98,460</u>
<u>100,122</u>	<u>100,122</u>	<u>1,440,703</u>	<u>1,383,834</u>	<u>134,280</u>	<u>124,100</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
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

REFERENCE	Personal Care Attendant		SHIP	
	Pages 42-43		Pages 44-45	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 522,066	\$ 521,200	\$ 58,115	\$ 57,058
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	16	16	-	-
Local revenue	-	-	-	-
Total revenues	522,082	521,216	58,115	57,058
EXPENDITURES:				
Direct Expenses:				
Salaries	13,922	14,175	1,540	930
Employee benefits	5,662	5,106	413	250
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	19,584	19,281	1,953	1,180
Shared expenses applied	6,519	6,005	652	368
Sub-total expenditures	26,103	25,286	2,605	1,548
Sub-recipients/sub-grantees	495,979	495,930	55,510	55,510
Total expenditures	522,082	521,216	58,115	57,058
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and notes to supplementary information.

LTC Ombudsman		A&D Resource Center		Kentucky Caregiver	
321-323		317-551		Pages 46-47	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 62,001	\$ 62,001	\$ 8,701	\$ 8,701	\$ 140,824	\$ 129,355
-	-	657	657	-	-
-	-	-	-	-	-
7,070	7,070	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>69,071</u>	<u>69,071</u>	<u>9,358</u>	<u>9,358</u>	<u>140,824</u>	<u>129,355</u>
-	-	5,004	5,066	34,349	28,664
-	-	2,110	2,089	11,143	8,633
-	-	-	-	1,009	1,009
-	-	-	-	-	-
-	-	-	19	1,401	1,382
-	-	7,114	7,174	47,902	39,688
-	-	2,244	2,184	15,115	11,860
-	-	9,358	9,358	63,017	51,548
<u>69,071</u>	<u>69,071</u>	<u>-</u>	<u>-</u>	<u>77,807</u>	<u>77,807</u>
<u>69,071</u>	<u>69,071</u>	<u>9,358</u>	<u>9,358</u>	<u>140,824</u>	<u>129,355</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
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

REFERENCE	CDO		Chronic Disease	
	Pages 48-49		320-327	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 5,181,420	\$ 5,471,740	\$ 63,949	\$ 34,078
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	60,453	-	-
Interest income	-	5	-	-
Local revenue	-	-	-	-
Total revenues	5,181,420	5,532,198	63,949	34,078
EXPENDITURES:				
Direct Expenses:				
Salaries	515,182	541,076	10,660	11,093
Employee benefits	208,998	202,502	3,315	3,300
Travel	19,000	33,651	8,000	8,039
Contracts	-	-	-	-
Other	51,190	53,270	37,351	7,061
Total direct expenses	794,370	830,499	59,326	29,493
Shared expenses applied	231,990	235,079	4,623	4,585
Sub-total expenditures	1,026,360	1,065,578	63,949	34,078
Sub-recipients/sub-grantees	4,155,060	4,155,060	-	-
Total expenditures	5,181,420	5,220,638	63,949	34,078
Excess revenues (expenditures) before transfers to (from)	-	311,560	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ 311,560	\$ -	\$ -

See independent auditors' report and notes to supplementary information.

MIPPA 2		Section Q MFP		Cabinet for Health and Family Services	
326-313		326-316		Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 66,963	\$ 66,963	\$ 11,500	\$ 9,348	\$ 9,389,336	\$ 9,420,502
-	-	-	-	14,304	13,875
-	-	-	-	428,566	415,130
-	-	-	-	346,175	348,159
-	-	-	-	51,043	104,765
-	-	-	-	50	58
-	-	-	-	1,091	716
<u>66,963</u>	<u>66,963</u>	<u>11,500</u>	<u>9,348</u>	<u>10,230,565</u>	<u>10,303,205</u>
8,044	10,757	6,600	4,835	1,112,148	1,133,096
3,942	4,697	2,069	1,475	446,860	428,861
-	-	-	52	75,118	83,510
-	-	-	-	1,651	1,651
<u>5,370</u>	<u>926</u>	<u>-</u>	<u>965</u>	<u>186,986</u>	<u>125,884</u>
17,356	16,380	8,669	7,327	1,822,763	1,773,002
<u>3,965</u>	<u>4,941</u>	<u>2,831</u>	<u>2,021</u>	<u>498,225</u>	<u>494,246</u>
21,321	21,321	11,500	9,348	2,320,988	2,267,248
<u>45,642</u>	<u>45,642</u>	<u>-</u>	<u>-</u>	<u>7,905,860</u>	<u>7,720,680</u>
<u>66,963</u>	<u>66,963</u>	<u>11,500</u>	<u>9,348</u>	<u>10,226,848</u>	<u>9,987,928</u>
-	-	-	-	3,717	315,277
-	-	-	-	(3,717)	(3,717)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,560</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TITLE III
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	Administration		Supportive Services	
	320-300		320-301	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 150,075	\$ 136,803	\$ 703,275	\$ 693,521
Local funds applied	-	-	-	-
Match - cash	-	-	222,060	210,623
Match - In kind	-	-	242,397	241,311
Program income	-	-	16,511	9,780
Interest income	-	-	10	11
Local revenue	525	150	-	-
Total revenues	<u>150,600</u>	<u>136,953</u>	<u>1,184,253</u>	<u>1,155,246</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	71,027	66,168	86,163	90,068
Employee benefits	26,626	24,113	39,091	36,244
Travel	6,500	5,511	8,401	4,740
Contracts	1,008	1,008	-	-
Other	13,134	11,437	7,579	7,579
Total direct expenses	<u>118,295</u>	<u>108,237</u>	<u>141,234</u>	<u>138,631</u>
Shared expenses applied	<u>32,305</u>	<u>28,716</u>	<u>40,157</u>	<u>40,265</u>
Sub-total expenditures	<u>150,600</u>	<u>136,953</u>	<u>181,391</u>	<u>178,896</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>1,002,862</u>	<u>976,350</u>
Total expenditures	<u>150,600</u>	<u>136,953</u>	<u>1,184,253</u>	<u>1,155,246</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from):				
To #102-709	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total 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 and notes to supplementary information.

Congregate Meals		Home Delivered Meals		Preventive Health	
320-302		320-303		320-304	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 188,514	\$ 166,377	\$ 328,596	\$ 255,637	\$ 99,077	\$ 98,890
-	-	-	-	-	1
22,467	20,467	137,587	137,587	546	546
23,472	23,472	29,662	29,662	4,433	7,503
19,444	19,444	2,099	2,099	2,787	2,787
-	-	-	-	-	-
-	-	-	-	-	-
<u>253,897</u>	<u>229,760</u>	<u>497,944</u>	<u>424,985</u>	<u>106,843</u>	<u>109,727</u>
7,784	4,509	-	-	-	-
3,562	1,878	-	-	-	-
-	-	-	-	-	-
-	-	-	-	643	643
-	-	-	-	10,179	2,758
<u>11,346</u>	<u>6,387</u>	<u>-</u>	<u>-</u>	<u>10,822</u>	<u>3,401</u>
<u>3,654</u>	<u>2,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
15,000	8,418	-	-	10,822	3,401
<u>238,897</u>	<u>221,342</u>	<u>497,944</u>	<u>424,985</u>	<u>92,304</u>	<u>102,609</u>
<u>253,897</u>	<u>229,760</u>	<u>497,944</u>	<u>424,985</u>	<u>103,126</u>	<u>106,010</u>
-	-	-	-	3,717	3,717
-	-	-	-	(3,717)	(3,717)
-	-	-	-	(3,717)	(3,717)
<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
TITLE III
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	Caregiver Administration		Caregiver Support	
	320-308		320-309	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 13,296	\$ 12,724	\$ 169,349	\$ 145,265
Local funds applied	4,432	3,974	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	21,134	21,134
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	566	566
				-
Total revenues	<u>17,728</u>	<u>16,698</u>	<u>191,049</u>	<u>166,965</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	9,876	9,154	36,362	38,046
Employee benefits	3,516	3,272	17,010	16,461
Travel	-	205	2,954	2,666
Contracts	-	-	-	-
Other	-	95	19,543	9,327
				-
Total direct expenses	<u>13,392</u>	<u>12,726</u>	<u>75,869</u>	<u>66,500</u>
Shared expenses applied	<u>4,336</u>	<u>3,972</u>	<u>17,656</u>	<u>17,325</u>
				-
Sub-total expenditures	<u>17,728</u>	<u>16,698</u>	<u>93,525</u>	<u>83,825</u>
				-
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>97,524</u>	<u>83,140</u>
				-
Total expenditures	<u>17,728</u>	<u>16,698</u>	<u>191,049</u>	<u>166,965</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from):				
From #322-331	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total 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 and notes to supplementary information.

Title III	
Totals	
Budget	Actual
\$ 1,652,182	\$ 1,509,217
4,432	3,975
382,660	369,223
321,098	323,082
40,841	34,110
10	11
1,091	716
<u>2,402,314</u>	<u>2,240,334</u>
211,212	207,945
89,805	81,968
17,855	13,122
1,651	1,651
<u>50,435</u>	<u>31,196</u>
370,958	335,882
<u>98,108</u>	<u>92,309</u>
469,066	428,191
<u>1,929,531</u>	<u>1,808,426</u>
<u>2,398,597</u>	<u>2,236,617</u>
<u>3,717</u>	<u>3,717</u>
<u>(3,717)</u>	<u>(3,717)</u>
<u>(3,717)</u>	<u>(3,717)</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, 2011 TO JUNE 30, 2012**

Work Element	Elder Abuse		Ombudsman	
	320-305		320-306	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 5,175	\$ 5,082	\$ 10,395	\$ 10,395
Local funds applied	-	-	-	-
Match - cash	998	998	3,032	3,032
Match - In kind	-	-	1,126	1,126
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>6,173</u>	<u>6,080</u>	<u>14,553</u>	<u>14,553</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	-	-	-	-
Shared expenses applied	-	-	-	-
Sub-total expenditures	-	-	-	-
Sub-recipients/sub-grantees	<u>6,173</u>	<u>6,080</u>	<u>14,553</u>	<u>14,553</u>
Total expenditures	<u>6,173</u>	<u>6,080</u>	<u>14,553</u>	<u>14,553</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 and notes to supplementary information.

Ombudsman - Education		Title VII	
320-307		Totals	
Budget	Actual	Budget	Actual
\$ 9,129	\$ 5,500	\$ 24,699	\$ 20,977
9	37	9	37
-	-	4,030	4,030
-	-	1,126	1,126
-	-	-	-
-	-	-	-
-	-	-	-
<u>9,138</u>	<u>5,537</u>	<u>29,864</u>	<u>26,170</u>
548	474	548	474
138	127	138	127
-	-	-	-
-	-	-	-
<u>8,235</u>	<u>4,735</u>	<u>8,235</u>	<u>4,735</u>
8,921	5,336	8,921	5,336
<u>217</u>	<u>201</u>	<u>217</u>	<u>201</u>
9,138	5,537	9,138	5,537
-	-	20,726	20,633
<u>9,138</u>	<u>5,537</u>	<u>29,864</u>	<u>26,170</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, 2011 TO JUNE 30, 2012**

Work Element	Administration		Home Delivered Meals	
	321-320		321-321	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 115,838	\$ 115,838	\$ 100,519	\$ 97,398
Local funds applied	9,206	9,206	-	-
Match - cash	-	-	3,741	3,741
Match - In kind	-	-	7,836	7,836
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>125,044</u>	<u>125,044</u>	<u>112,096</u>	<u>108,975</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	63,309	63,309	3,657	2,082
Employee benefits	23,206	23,206	1,629	869
Travel	8,175	8,175	-	-
Contracts	-	-	-	-
Other	3,360	3,360	-	-
Total direct expenses	<u>98,050</u>	<u>98,050</u>	<u>5,286</u>	<u>2,951</u>
Shared expenses applied	<u>26,994</u>	<u>26,994</u>	<u>1,733</u>	<u>947</u>
Sub-total expenditures	<u>125,044</u>	<u>125,044</u>	<u>7,019</u>	<u>3,898</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>105,077</u>	<u>105,077</u>
Total expenditures	<u>125,044</u>	<u>125,044</u>	<u>112,096</u>	<u>108,975</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total 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 and notes to supplementary information.

Social Services		Homecare	
321-322		Totals	
Budget	Actual	Budget	Actual
\$ 1,146,453	\$ 1,092,702	\$ 1,362,810	\$ 1,305,938
-	-	9,206	9,206
38,135	38,136	41,876	41,877
9,045	9,045	16,881	16,881
9,930	9,930	9,930	9,930
-	2	-	2
-	-	-	-
<u>1,203,563</u>	<u>1,149,815</u>	<u>1,440,703</u>	<u>1,383,834</u>
224,254	228,693	291,220	294,084
88,899	89,243	113,734	113,318
21,079	19,462	29,254	27,637
-	-	-	-
<u>29,644</u>	<u>22,970</u>	<u>33,004</u>	<u>26,330</u>
363,876	360,368	467,212	461,369
<u>96,995</u>	<u>100,505</u>	<u>125,722</u>	<u>128,446</u>
460,871	460,873	592,934	589,815
<u>742,692</u>	<u>688,942</u>	<u>847,769</u>	<u>794,019</u>
<u>1,203,563</u>	<u>1,149,815</u>	<u>1,440,703</u>	<u>1,383,834</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, 2011 TO JUNE 30, 2012**

Work Element	Administration		Services	
	322-330		322-331	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 11,389	\$ 11,389	\$ 122,595	\$ 112,415
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	272	272
Interest income	-	-	24	24
Local revenue	-	-	-	-
Total revenues	<u>11,389</u>	<u>11,389</u>	<u>122,891</u>	<u>112,711</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	6,381	6,509	7,486	7,488
Employee benefits	2,209	2,074	3,322	3,322
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	<u>8,590</u>	<u>8,583</u>	<u>10,808</u>	<u>10,810</u>
Shared expenses applied	<u>2,799</u>	<u>2,806</u>	<u>3,440</u>	<u>3,441</u>
Sub-total expenditures	<u>11,389</u>	<u>11,389</u>	<u>14,248</u>	<u>14,251</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>108,643</u>	<u>98,460</u>
Total expenditures	<u>11,389</u>	<u>11,389</u>	<u>122,891</u>	<u>112,711</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from):				
To #320-309	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report and notes to supplementary information.

Adult Day Care	
Totals	
Budget	Actual
\$ 133,984	\$ 123,804
-	-
-	-
-	-
272	272
24	24
-	-
<u>134,280</u>	<u>124,100</u>
13,867	13,997
5,531	5,396
-	-
-	-
-	-
<u>19,398</u>	<u>19,393</u>
<u>6,239</u>	<u>6,247</u>
25,637	25,640
<u>108,643</u>	<u>98,460</u>
<u>134,280</u>	<u>124,100</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
PERSONAL CARE ATTENDANT
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	Administration		Evaluation and Coordination	
	324-340		324-341	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 26,103	\$ 25,286	\$ 98,902	\$ 98,902
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	16	16
Local revenue	-	-	-	-
Total revenues	<u>26,103</u>	<u>25,286</u>	<u>98,918</u>	<u>98,918</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	13,922	14,175	-	-
Employee benefits	5,662	5,106	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	<u>19,584</u>	<u>19,281</u>	<u>-</u>	<u>-</u>
Shared expenses applied	<u>6,519</u>	<u>6,005</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	<u>26,103</u>	<u>25,286</u>	<u>-</u>	<u>-</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>98,918</u>	<u>98,918</u>
Total expenditures	<u>26,103</u>	<u>25,286</u>	<u>98,918</u>	<u>98,918</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 and notes to supplementary information.

Subsidy		Personal Care Attendant	
324-342		Totals	
Budget	Actual	Budget	Actual
\$ 397,061	\$ 397,012	\$ 522,066	\$ 521,200
-	-	-	-
-	-	-	-
-	-	-	-
-	-	16	16
-	-	-	-
<u>397,061</u>	<u>397,012</u>	<u>522,082</u>	<u>521,216</u>
-	-	13,922	14,175
-	-	5,662	5,106
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>19,584</u>	<u>19,281</u>
<u>-</u>	<u>-</u>	<u>6,519</u>	<u>6,005</u>
-	-	26,103	25,286
<u>397,061</u>	<u>397,012</u>	<u>495,979</u>	<u>495,930</u>
<u>397,061</u>	<u>397,012</u>	<u>522,082</u>	<u>521,216</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</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
SHIP
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	Administration		Regular	
	326-310		326-311	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 2,605	\$ 1,548	\$ 55,510	\$ 55,510
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>2,605</u>	<u>1,548</u>	<u>55,510</u>	<u>55,510</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	1,540	930	-	-
Employee benefits	413	250	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	<u>1,953</u>	<u>1,180</u>	<u>-</u>	<u>-</u>
Shared expenses applied	<u>652</u>	<u>368</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	<u>2,605</u>	<u>1,548</u>	<u>-</u>	<u>-</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>55,510</u>	<u>55,510</u>
Total expenditures	<u>2,605</u>	<u>1,548</u>	<u>55,510</u>	<u>55,510</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 and notes to supplementary information.

SHIP	
Totals	
Budget	Actual
\$ 58,115	\$ 57,058
-	-
-	-
-	-
-	-
-	-
<u>58,115</u>	<u>57,058</u>
1,540	930
413	250
-	-
-	-
<u>-</u>	<u>-</u>
1,953	1,180
652	368
<u>2,605</u>	<u>1,548</u>
55,510	55,510
<u>58,115</u>	<u>57,058</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, 2011 TO JUNE 30, 2012**

Work Element	Grandparents Administration		Grandparents Support	
	320-314		320-315	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 11,970	\$ 10,690	\$ 128,854	\$ 118,665
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>11,970</u>	<u>10,690</u>	<u>128,854</u>	<u>118,665</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	6,580	6,061	27,769	22,603
Employee benefits	2,365	2,034	8,778	6,599
Travel	-	-	1,009	1,009
Contracts	-	-	-	-
Other	-	-	1,401	1,382
Total direct expenses	<u>8,945</u>	<u>8,095</u>	<u>38,957</u>	<u>31,593</u>
Shared expenses applied	<u>3,025</u>	<u>2,595</u>	<u>12,090</u>	<u>9,265</u>
Sub-total expenditures	<u>11,970</u>	<u>10,690</u>	<u>51,047</u>	<u>40,858</u>
Sub-recipients/ sub-grantees	<u>-</u>	<u>-</u>	<u>77,807</u>	<u>77,807</u>
Total expenditures	<u>11,970</u>	<u>10,690</u>	<u>128,854</u>	<u>118,665</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 and notes to supplementary information.

Kentucky Caregiver	
Totals	
Budget	Actual
\$ 140,824	\$ 129,355
-	-
-	-
-	-
-	-
-	-
-	-
<u>140,824</u>	<u>129,355</u>
34,349	28,664
11,143	8,633
1,009	1,009
-	-
<u>1,401</u>	<u>1,382</u>
47,902	39,688
<u>15,115</u>	<u>11,860</u>
63,017	51,548
<u>77,807</u>	<u>77,807</u>
<u>140,824</u>	<u>129,355</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
CDO
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	CDO Financial Management		CDO Program	
	134-552		334-552	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 125,000	\$ 380,600	\$ 5,056,420	\$ 5,091,140
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	60,453
Interest income	-	-	-	5
Local revenue	-	-	-	-
Total revenues	<u>125,000</u>	<u>380,600</u>	<u>5,056,420</u>	<u>5,151,598</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	63,254	94,954	451,928	446,122
Employee benefits	21,235	32,005	187,763	170,497
Travel	-	298	19,000	33,353
Contracts	-	-	-	-
Other	13,690	11,492	37,500	41,778
Total direct expenses	<u>98,179</u>	<u>138,749</u>	<u>696,191</u>	<u>691,750</u>
Shared expenses applied	<u>26,821</u>	<u>39,750</u>	<u>205,169</u>	<u>195,329</u>
Sub-total expenditures	<u>125,000</u>	<u>178,499</u>	<u>901,360</u>	<u>887,079</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>4,155,060</u>	<u>4,155,060</u>
Total expenditures	<u>125,000</u>	<u>178,499</u>	<u>5,056,420</u>	<u>5,042,139</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>202,101</u>	<u>-</u>	<u>109,459</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ 202,101</u>	<u>\$ -</u>	<u>\$ 109,459</u>

See independent auditors' report and notes to supplementary information.

CDO	
Totals	
Budget	Actual
\$ 5,181,420	\$ 5,471,740
-	-
-	-
-	-
-	60,453
-	5
-	-
<u>5,181,420</u>	<u>5,532,198</u>
515,182	541,076
208,998	202,502
19,000	33,651
-	-
<u>51,190</u>	<u>53,270</u>
794,370	830,499
<u>231,990</u>	<u>235,079</u>
1,026,360	1,065,578
<u>4,155,060</u>	<u>4,155,060</u>
<u>5,181,420</u>	<u>5,220,638</u>
-	311,560
-	-
<u>\$ -</u>	<u>\$ 311,560</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT
TOTAL BY GRANT
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	27012		27410	
	441-632		484-679	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 45,230	\$ 43,958	\$ 29,003	\$ 29,003
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>45,230</u>	<u>43,958</u>	<u>29,003</u>	<u>29,003</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	14,035	14,035	-	-
Employee benefits	5,331	5,331	-	-
Travel	150	150	-	-
Contracts	-	-	-	-
Other	996	996	29,003	29,003
Total direct expenses	<u>20,512</u>	<u>20,512</u>	<u>29,003</u>	<u>29,003</u>
Shared expenses applied	<u>6,376</u>	<u>6,376</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	26,888	26,888	29,003	29,003
	-	-	-	-
Sub-recipients/sub-grantees	<u>18,342</u>	<u>17,070</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>45,230</u>	<u>43,958</u>	<u>29,003</u>	<u>29,003</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 and notes to supplementary information.

EM-20029-10-60-A-21		27011		27411	
487-676		491-632		494-636	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 50,500	\$ 50,500	\$ 670	\$ 670	\$ 264,037	\$ 264,037
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
12,758	12,758	-	-	-	-
<u>63,258</u>	<u>63,258</u>	<u>670</u>	<u>670</u>	<u>264,037</u>	<u>264,037</u>
-	-	456	456	54,748	54,748
-	-	80	80	23,367	23,367
-	-	-	-	4,405	4,405
-	-	-	-	11,168	11,168
63,258	63,258	-	-	2,320	2,320
<u>63,258</u>	<u>63,258</u>	<u>536</u>	<u>536</u>	<u>96,008</u>	<u>96,008</u>
-	-	134	134	25,922	25,922
63,258	63,258	670	670	121,930	121,930
-	-	-	-	142,107	142,107
<u>63,258</u>	<u>63,258</u>	<u>670</u>	<u>670</u>	<u>264,037</u>	<u>264,037</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
TOTAL BY GRANT
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	20510		27111	
	496-646		Pages 56-57	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 444,413	\$ 338,893	\$ 760,528	\$ 555,547
Local funds applied	-	-	969	704
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>444,413</u>	<u>338,893</u>	<u>761,497</u>	<u>556,251</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	110,009	110,009
Employee benefits	-	-	39,246	39,246
Travel	-	-	2,739	2,739
Contracts	-	-	-	-
Other	-	-	961	961
Total direct expenses	-	-	152,955	152,955
Shared expenses applied	-	-	47,312	47,312
Sub-total expenditures	-	-	200,267	200,267
Sub-recipients/sub-grantees	<u>444,413</u>	<u>338,893</u>	<u>561,230</u>	<u>355,984</u>
Total expenditures	<u>444,413</u>	<u>338,893</u>	<u>761,497</u>	<u>556,251</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 and notes to supplementary information.

25811/28512		27312		27212	
Pages 58-59		Pages 60-61		Pages 62-63	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 527,442	\$ 391,641	\$ 471,773	\$ 329,322	\$ 180,243	\$ 158,469
-	375	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>527,442</u>	<u>392,016</u>	<u>471,773</u>	<u>329,322</u>	<u>180,243</u>	<u>158,469</u>
224,272	224,270	89,060	88,645	27,612	28,782
32,106	32,094	31,585	31,563	11,004	11,425
7,649	4,923	2,458	1,528	428	428
-	-	-	-	7,000	7,000
<u>15,182</u>	<u>15,181</u>	<u>1,973</u>	<u>140</u>	<u>15</u>	<u>13</u>
279,209	276,468	125,076	121,876	46,059	47,648
<u>12,041</u>	<u>11,287</u>	<u>36,563</u>	<u>36,492</u>	<u>11,566</u>	<u>12,094</u>
291,250	287,755	161,639	158,368	57,625	59,742
<u>236,192</u>	<u>104,261</u>	<u>310,134</u>	<u>170,954</u>	<u>122,618</u>	<u>98,727</u>
<u>527,442</u>	<u>392,016</u>	<u>471,773</u>	<u>329,322</u>	<u>180,243</u>	<u>158,469</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
TOTAL BY GRANT
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

	27412		27311	
	Pages 64-65		Pages 66-67	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 571,769	\$ 311,168	\$ 180,007	\$ 140,357
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
	<u>571,769</u>	<u>311,168</u>	<u>180,007</u>	<u>140,357</u>
Total revenues	<u>571,769</u>	<u>311,168</u>	<u>180,007</u>	<u>140,357</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	87,718	87,718	33,429	33,429
Employee benefits	35,908	35,908	11,161	11,161
Travel	9,627	9,627	891	891
Contracts	-	-	-	-
Other	7,630	7,640	733	733
	<u>140,883</u>	<u>140,893</u>	<u>46,214</u>	<u>46,214</u>
Total direct expenses	<u>140,883</u>	<u>140,893</u>	<u>46,214</u>	<u>46,214</u>
Shared expenses applied	<u>37,965</u>	<u>37,965</u>	<u>14,214</u>	<u>14,214</u>
	<u>178,848</u>	<u>178,858</u>	<u>60,428</u>	<u>60,428</u>
Sub-total expenditures	<u>178,848</u>	<u>178,858</u>	<u>60,428</u>	<u>60,428</u>
Sub-recipients/sub-grantees	<u>392,921</u>	<u>132,310</u>	<u>119,579</u>	<u>79,929</u>
	<u>571,769</u>	<u>311,168</u>	<u>180,007</u>	<u>140,357</u>
Total expenditures	<u>571,769</u>	<u>311,168</u>	<u>180,007</u>	<u>140,357</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 and notes to supplementary information.

27211		27111		Workforce Investment Act	
Pages 68-69		Pages 70-71		Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 328,028	\$ 328,028	\$ 268,582	\$ 268,582	\$ 4,122,225	\$ 3,210,175
158	158	528	528	1,655	1,765
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	12,758	12,758
<u>328,186</u>	<u>328,186</u>	<u>269,110</u>	<u>269,110</u>	<u>4,136,638</u>	<u>3,224,698</u>
13,239	13,239	67,963	68,211	722,541	723,542
3,872	3,872	24,954	25,035	218,614	219,082
41	41	2,098	2,098	30,486	26,830
2,491	2,491	-	-	20,659	20,659
595	595	9,057	9,058	131,723	129,898
<u>20,238</u>	<u>20,238</u>	<u>104,072</u>	<u>104,402</u>	<u>1,124,023</u>	<u>1,120,011</u>
<u>5,580</u>	<u>5,580</u>	<u>30,546</u>	<u>30,651</u>	<u>228,219</u>	<u>228,027</u>
25,818	25,818	134,618	135,053	1,352,242	1,348,038
<u>302,368</u>	<u>302,368</u>	<u>134,492</u>	<u>134,057</u>	<u>2,784,396</u>	<u>1,876,660</u>
<u>328,186</u>	<u>328,186</u>	<u>269,110</u>	<u>269,110</u>	<u>4,136,638</u>	<u>3,224,698</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, 2011 TO JUNE 30, 2012**

Work Element	Administration		Dislocated Worker	
	445-630		445-634	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 7,722	\$ 7,722	\$ 752,806	\$ 547,825
Local funds applied	704	704	265	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	8,426	8,426	753,071	547,825
EXPENDITURES:				
Direct Expenses:				
Salaries	4,331	4,331	105,678	105,678
Employee benefits	1,356	1,356	37,890	37,890
Travel	739	739	2,000	2,000
Contracts	-	-	-	-
Other	236	236	725	725
Total direct expenses	6,662	6,662	146,293	146,293
Shared expenses applied	1,764	1,764	45,548	45,548
Sub-total expenditures	8,426	8,426	191,841	191,841
Sub-recipients/sub-grantees	-	-	561,230	355,984
Total expenditures	8,426	8,426	753,071	547,825
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and notes to supplementary information.

Totals	
27111	
Budget	Actual
\$ 760,528	\$ 555,547
969	704
-	-
-	-
-	-
<u>761,497</u>	<u>556,251</u>
110,009	110,009
39,246	39,246
2,739	2,739
-	-
961	961
<u>152,955</u>	<u>152,955</u>
47,312	47,312
200,267	200,267
<u>561,230</u>	<u>355,984</u>
<u>761,497</u>	<u>556,251</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 - 28511/28512
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	NEG		Disaster Relief NEG	
	436-639		436-655	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 469	\$ 469	\$ 185,656	\$ 182,873
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	<u>469</u>	<u>469</u>	<u>185,656</u>	<u>182,873</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	200	200	162,701	162,699
Employee benefits	86	86	14,383	14,379
Travel	98	98	6,140	3,414
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	<u>384</u>	<u>384</u>	<u>183,224</u>	<u>180,492</u>
Shared expenses applied	<u>85</u>	<u>85</u>	<u>2,432</u>	<u>2,381</u>
Sub-total expenditures	<u>469</u>	<u>469</u>	<u>185,656</u>	<u>182,873</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>469</u>	<u>469</u>	<u>185,656</u>	<u>182,873</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 and notes to supplementary information.

NEG2		Totals	
436-690		28511/28512	
Budget	Actual	Budget	Actual
\$ 341,317	\$ 208,299	\$ 527,442	\$ 391,641
-	375	-	375
-	-	-	-
-	-	-	-
-	-	-	-
<u>341,317</u>	<u>208,674</u>	<u>527,442</u>	<u>392,016</u>
61,371	61,371	224,272	224,270
17,637	17,629	32,106	32,094
1,411	1,411	7,649	4,923
-	-	-	-
<u>15,182</u>	<u>15,181</u>	<u>15,182</u>	<u>15,181</u>
95,601	95,592	279,209	276,468
<u>9,524</u>	<u>8,821</u>	<u>12,041</u>	<u>11,287</u>
105,125	104,413	291,250	287,755
<u>236,192</u>	<u>104,261</u>	<u>236,192</u>	<u>104,261</u>
<u>341,317</u>	<u>208,674</u>	<u>527,442</u>	<u>392,016</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27312
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	Adult		Dislocated Worker	
	442-632		442-634	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 313,482	\$ 300,803	\$ 158,291	\$ 28,519
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	313,482	300,803	158,291	28,519
EXPENDITURES:				
Direct Expenses:				
Salaries	88,008	87,582	1,052	1,063
Employee benefits	31,127	31,087	458	476
Travel	1,976	1,067	482	461
Contracts	-	-	-	-
Other	1,964	139	9	1
Total direct expenses	123,075	119,875	2,001	2,001
Shared expenses applied	36,563	36,492	-	-
Sub-total expenditures	159,638	156,367	2,001	2,001
Sub-recipients/sub-grantees	153,844	144,436	156,290	26,518
Total expenditures	313,482	300,803	158,291	28,519
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and notes to supplementary information.

Totals	
27312	
Budget	Actual
\$ 471,773	\$ 329,322
-	-
-	-
-	-
-	-
<u>471,773</u>	<u>329,322</u>
89,060	88,645
31,585	31,563
2,458	1,528
-	-
<u>1,973</u>	<u>140</u>
125,076	121,876
<u>36,563</u>	<u>36,492</u>
161,639	158,368
<u>310,134</u>	<u>170,954</u>
<u>471,773</u>	<u>329,322</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 - 27212
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012

Work Element	Administration		Dislocated Worker	
	443-630		443-634	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 7,000	\$ 7,000	\$ 173,243	\$ 151,469
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>173,243</u>	<u>151,469</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	27,612	28,782
Employee benefits	-	-	11,004	11,425
Travel	-	-	428	428
Contracts	7,000	7,000	-	-
Other	-	-	15	13
Total direct expenses	<u>7,000</u>	<u>7,000</u>	<u>39,059</u>	<u>40,648</u>
Shared expenses applied	<u>-</u>	<u>-</u>	<u>11,566</u>	<u>12,094</u>
Sub-total expenditures	<u>7,000</u>	<u>7,000</u>	<u>50,625</u>	<u>52,742</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>122,618</u>	<u>98,727</u>
Total expenditures	<u>7,000</u>	<u>7,000</u>	<u>173,243</u>	<u>151,469</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 and notes to supplementary information.

Totals	
27212	
Budget	Actual
\$ 180,243	\$ 158,469
-	-
-	-
-	-
-	-
<u>180,243</u>	<u>158,469</u>
27,612	28,782
11,004	11,425
428	428
7,000	7,000
<u>15</u>	<u>13</u>
46,059	47,648
<u>11,566</u>	<u>12,094</u>
57,625	59,742
<u>122,618</u>	<u>98,727</u>
<u>180,243</u>	<u>158,469</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 - 27412
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012

Work Element	In School Youth		Out of School Youth	
	444-633		444-636	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 100,000	\$ 43,264	\$ 471,769	\$ 267,904
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	100,000	43,264	471,769	267,904
EXPENDITURES:				
Direct Expenses:				
Salaries	3,596	3,596	84,122	84,122
Employee benefits	1,615	1,615	34,293	34,293
Travel	1,050	1,050	8,577	8,577
Contracts	-	-	-	-
Other	456	456	7,174	7,184
Total direct expenses	6,717	6,717	134,166	134,176
Shared expenses applied	1,545	1,545	36,420	36,420
Sub-total expenditures	8,262	8,262	170,586	170,596
Sub-recipients/sub-grantees	91,738	35,002	301,183	97,308
Total expenditures	100,000	43,264	471,769	267,904
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and notes to supplementary information.

Totals	
27412	
Budget	Actual
\$ 571,769	\$ 311,168
-	-
-	-
-	-
-	-
<u>571,769</u>	<u>311,168</u>
87,718	87,718
35,908	35,908
9,627	9,627
-	-
<u>7,630</u>	<u>7,640</u>
140,883	140,893
<u>37,965</u>	<u>37,965</u>
178,848	178,858
<u>392,921</u>	<u>132,310</u>
<u>571,769</u>	<u>311,168</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 - 27311
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	NKIP Industry Part.		Adult	
	492-624		492-632	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 65,000	\$ 25,350	\$ 27,000	\$ 27,000
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	<u>65,000</u>	<u>25,350</u>	<u>27,000</u>	<u>27,000</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	5,746	5,746
Employee benefits	-	-	2,076	2,076
Travel	-	-	307	307
Contracts	-	-	-	-
Other	-	-	528	528
Total direct expenses	-	-	8,657	8,657
Shared expenses applied	-	-	2,521	2,521
Sub-total expenditures	-	-	11,178	11,178
Sub-recipients/sub-grantees	<u>65,000</u>	<u>25,350</u>	<u>15,822</u>	<u>15,822</u>
Total expenditures	<u>65,000</u>	<u>25,350</u>	<u>27,000</u>	<u>27,000</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 and notes to supplementary information.

Dislocated Worker		BST State Travel		Totals	
492-634		492-679		27311	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 87,577	\$ 87,577	\$ 430	\$ 430	\$ 180,007	\$ 140,357
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>87,577</u>	<u>87,577</u>	<u>430</u>	<u>430</u>	<u>180,007</u>	<u>140,357</u>
27,683	27,683	-	-	33,429	33,429
9,085	9,085	-	-	11,161	11,161
154	154	430	430	891	891
-	-	-	-	-	-
205	205	-	-	733	733
<u>37,127</u>	<u>37,127</u>	<u>430</u>	<u>430</u>	<u>46,214</u>	<u>46,214</u>
<u>11,693</u>	<u>11,693</u>	<u>-</u>	<u>-</u>	<u>14,214</u>	<u>14,214</u>
48,820	48,820	430	430	60,428	60,428
<u>38,757</u>	<u>38,757</u>	<u>-</u>	<u>-</u>	<u>119,579</u>	<u>79,929</u>
<u>87,577</u>	<u>87,577</u>	<u>430</u>	<u>430</u>	<u>180,007</u>	<u>140,357</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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, 2011 TO JUNE 30, 2012**

Work Element	Dislocated Worker		Rapid Response Additional	
	493-6934		493-639	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 53,149	\$ 53,149	\$ 249,219	\$ 249,219
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	<u>53,149</u>	<u>53,149</u>	<u>249,219</u>	<u>249,219</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	-	-	-	-
Shared expenses applied	-	-	-	-
Sub-total expenditures	-	-	-	-
Sub-recipients/sub-grantees	<u>53,149</u>	<u>53,149</u>	<u>249,219</u>	<u>249,219</u>
Total expenditures	<u>53,149</u>	<u>53,149</u>	<u>249,219</u>	<u>249,219</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 and notes to supplementary information.

Incentive		Totals	
493-683		27211	
Budget	Actual	Budget	Actual
\$ 25,660	\$ 25,660	\$ 328,028	\$ 328,028
158	158	158	158
-	-	-	-
-	-	-	-
-	-	-	-
<u>25,818</u>	<u>25,818</u>	<u>328,186</u>	<u>328,186</u>
13,239	13,239	13,239	13,239
3,872	3,872	3,872	3,872
41	41	41	41
2,491	2,491	2,491	2,491
595	595	595	595
<u>20,238</u>	<u>20,238</u>	<u>20,238</u>	<u>20,238</u>
<u>5,580</u>	<u>5,580</u>	<u>5,580</u>	<u>5,580</u>
25,818	25,818	25,818	25,818
-	-	302,368	302,368
<u>25,818</u>	<u>25,818</u>	<u>328,186</u>	<u>328,186</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, 2011 TO JUNE 30, 2012**

Work Element	Administration		Dislocated Worker	
	495-630		495-634	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 17,185	\$ 17,185	\$ 185,590	\$ 185,590
Local funds applied	528	528	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	<u>17,713</u>	<u>17,713</u>	<u>185,590</u>	<u>185,590</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	5,726	5,726	62,237	62,485
Employee benefits	1,839	1,839	23,115	23,196
Travel	1,283	1,283	815	815
Contracts	-	-	-	-
Other	6,402	6,402	2,629	2,630
Total direct expenses	<u>15,250</u>	<u>15,250</u>	<u>88,796</u>	<u>89,126</u>
Shared expenses applied	<u>2,463</u>	<u>2,463</u>	<u>28,083</u>	<u>28,188</u>
Sub-total expenditures	<u>17,713</u>	<u>17,713</u>	<u>116,879</u>	<u>117,314</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>68,711</u>	<u>68,276</u>
Total expenditures	<u>17,713</u>	<u>17,713</u>	<u>185,590</u>	<u>185,590</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 and notes to supplementary information.

RRAA		Incentive		Totals	
495-639		495-683		27111	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 65,781	\$ 65,781	\$ 26	\$ 26	\$ 268,582	\$ 268,582
-	-	-	-	528	528
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>65,781</u>	<u>65,781</u>	<u>26</u>	<u>26</u>	<u>269,110</u>	<u>269,110</u>
-	-	-	-	67,963	68,211
-	-	-	-	24,954	25,035
-	-	-	-	2,098	2,098
-	-	-	-	-	-
-	-	26	26	9,057	9,058
-	-	26	26	104,072	104,402
-	-	-	-	30,546	30,651
-	-	26	26	134,618	135,053
<u>65,781</u>	<u>65,781</u>	<u>-</u>	<u>-</u>	<u>134,492</u>	<u>134,057</u>
<u>65,781</u>	<u>65,781</u>	<u>26</u>	<u>26</u>	<u>269,110</u>	<u>269,110</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, 2011 TO JUNE 30, 2012

Work Element	Commodities		Commodities	
	318-615		325-618	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 76,000	\$ 74,450	\$ 132,766	\$ 92,467
Federal commodities	-	-	351,559	351,559
Local funds applied	-	-	-	-
Interest income	-	-	-	104
Local revenue	-	-	-	-
Total revenues	<u>76,000</u>	<u>74,450</u>	<u>484,325</u>	<u>444,130</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	28,219	31,424	26,002	17,624
Employee benefits	11,588	11,169	8,345	4,444
Travel	500	580	500	21
Contracts	16,426	15,200	24,000	20,845
Other	6,500	2,480	62,903	42,517
Total direct expenses	<u>63,233</u>	<u>60,853</u>	<u>121,750</u>	<u>85,451</u>
Shared expenses applied	<u>12,767</u>	<u>13,597</u>	<u>11,016</u>	<u>7,120</u>
Sub-total expenditures	<u>76,000</u>	<u>74,450</u>	<u>132,766</u>	<u>92,571</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>351,559</u>	<u>351,559</u>
Total expenditures	<u>76,000</u>	<u>74,450</u>	<u>484,325</u>	<u>444,130</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 and notes to supplementary information.

Commodities	
Totals	
Budget	Actual
\$ 208,766	\$ 166,917
351,559	351,559
-	-
-	104
-	-
<u>560,325</u>	<u>518,580</u>
54,221	49,048
19,933	15,613
1,000	601
40,426	36,045
69,403	44,997
<u>184,983</u>	<u>146,304</u>
<u>23,783</u>	<u>20,717</u>
208,766	167,021
<u>351,559</u>	<u>351,559</u>
<u>560,325</u>	<u>518,580</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
SUPPORTIVE HOUSING
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012

Work Element	Rural Case Management Administration		Rural Case Management	
	329-690		329-691	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 10,980	\$ 10,980	\$ 30,628	\$ 24,502
Local funds applied	-	-	-	-
Match - In kind	-	-	6,126	6,126
Local revenue	-	-	-	-
Total revenues	<u>10,980</u>	<u>10,980</u>	<u>36,754</u>	<u>30,628</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	5,975	5,966	-	-
Employee benefits	2,345	2,199	-	-
Travel	-	13	-	-
Contracts	-	-	-	-
Other	-	235	-	-
Total direct expenses	<u>8,320</u>	<u>8,413</u>	<u>-</u>	<u>-</u>
Shared expenses applied	<u>2,660</u>	<u>2,567</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	<u>10,980</u>	<u>10,980</u>	<u>-</u>	<u>-</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>36,754</u>	<u>30,628</u>
Total expenditures	<u>10,980</u>	<u>10,980</u>	<u>36,754</u>	<u>30,628</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 and notes to supplementary information.

Planks I Administration		Planks I Program		Single-Family Property Disposition Administration	
329-692		329-693		329-696	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 27,104	\$ 27,104	\$ 434,214	\$ 412,235	\$ 9,608	\$ 9,608
-	-	-	-	-	-
-	-	61,606	73,257	-	-
-	-	-	-	-	-
<u>27,104</u>	<u>27,104</u>	<u>495,820</u>	<u>485,492</u>	<u>9,608</u>	<u>9,608</u>
14,975	15,051	-	-	5,101	5,242
5,389	5,189	-	-	2,010	1,926
-	435	-	-	-	-
-	-	-	-	-	-
3	186	-	-	145	200
<u>20,367</u>	<u>20,861</u>	<u>-</u>	<u>-</u>	<u>7,256</u>	<u>7,368</u>
<u>6,737</u>	<u>6,243</u>	<u>-</u>	<u>-</u>	<u>2,352</u>	<u>2,240</u>
27,104	27,104	-	-	9,608	9,608
-	-	495,820	485,492	-	-
<u>27,104</u>	<u>27,104</u>	<u>495,820</u>	<u>485,492</u>	<u>9,608</u>	<u>9,608</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</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, 2011 TO JUNE 30, 2012

Work Element	Single-Family Property		Supportive Housing	
	Disposition		Totals	
	Budget	Actual	Budget	Actual
	329-697			
REVENUES:				
Federal and state	\$ 93,189	\$ 86,439	\$ 605,723	\$ 570,868
Local funds applied	-	-	-	-
Match - In kind	27,610	25,922	95,342	105,305
Local revenue	-	-	-	-
Total revenues	<u>120,799</u>	<u>112,361</u>	<u>701,065</u>	<u>676,173</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	26,051	26,259
Employee benefits	-	-	9,744	9,314
Travel	-	-	-	448
Contracts	-	-	-	-
Other	-	-	148	621
Total direct expenses	-	-	35,943	36,642
Shared expenses applied	-	-	11,749	11,050
Sub-total expenditures	-	-	47,692	47,692
Sub-recipients/sub-grantees	<u>120,799</u>	<u>112,361</u>	<u>653,373</u>	<u>628,481</u>
Total expenditures	<u>120,799</u>	<u>112,361</u>	<u>701,065</u>	<u>676,173</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 and notes to supplementary information.

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	City of Covington Administration 329-665		City of Covington Revenue 329-666	
	Budget	Actual	Budget	Actual
	REVENUES:			
Federal and state	\$ -	\$ -	\$ -	\$ -
Local funds applied	258	258	2,841	2,559
Match - In kind	-	-	-	-
Local revenue	3,769	3,769	241,127	241,127
Total revenues	4,027	4,027	243,968	243,686
EXPENDITURES:				
Direct Expenses:				
Salaries	2,148	1,899	18,425	18,262
Employee benefits	846	723	5,627	5,576
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	266	-	-
Total direct expenses	2,994	2,888	24,052	23,838
Shared expenses applied	1,033	1,139	7,692	7,624
Sub-total expenditures	4,027	4,027	31,744	31,462
Sub-recipients/sub-grantees	-	-	212,224	212,224
Total expenditures	4,027	4,027	243,968	243,686
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and notes to supplementary information.

KHC Administration		KHC Revenue		Homelessness Prevention and Rapid Re-Housing Program	
329-667		329-668		Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 6,451	\$ 6,451	\$ 433,407	\$ 432,480	\$ 439,858	\$ 438,931
241	-	2,375	-	5,715	2,817
-	-	-	-	-	-
-	-	-	-	244,896	244,896
<u>6,692</u>	<u>6,451</u>	<u>435,782</u>	<u>432,480</u>	<u>690,469</u>	<u>686,644</u>
2,016	1,944	32,134	32,379	54,723	54,484
776	740	9,178	9,388	16,427	16,427
-	3	165	406	165	409
-	-	-	-	-	-
<u>2,976</u>	<u>2,863</u>	<u>2,730</u>	<u>1,130</u>	<u>5,706</u>	<u>4,259</u>
5,768	5,550	44,207	43,303	77,021	75,579
924	901	13,667	13,128	23,316	22,792
<u>6,692</u>	<u>6,451</u>	<u>57,874</u>	<u>56,431</u>	<u>100,337</u>	<u>98,371</u>
-	-	377,908	376,049	590,132	588,273
<u>6,692</u>	<u>6,451</u>	<u>435,782</u>	<u>432,480</u>	<u>690,469</u>	<u>686,644</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
LOAN PROGRAM
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012

Work Element	KY Housing Loan		Revolving Loan Admin.	
	145-920		180-712	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 16,100	\$ 3,585	\$ -	\$ -
Local funds applied	-	-	-	-
Interest income	-	11	17,000	18,229
Total revenues	16,100	3,596	17,000	18,229
EXPENDITURES:				
Direct Expenses:				
Salaries	4,144	2,068	8,049	9,448
Employee benefits	1,657	700	3,440	3,810
Travel	1,000	-	200	160
Contracts	-	-	-	296
Other	7,380	-	1,510	472
Total direct expenses	14,181	2,768	13,199	14,186
Shared expenses applied	1,919	828	3,801	4,043
Sub-total expenditures	16,100	3,596	17,000	18,229
Sub-recipients/sub-grantees	-	-	-	-
Total expenditures	16,100	3,596	17,000	18,229
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and notes to supplementary information.

Revolving Loan		Loan Program	
180-713		Totals	
Budget	Actual	Budget	Actual
\$ -	\$ 93,962	\$ 16,100	\$ 97,547
-	-	-	-
-	6,038	17,000	24,278
-	100,000	33,100	121,825
-	-	12,193	11,516
-	-	5,097	4,510
-	-	1,200	160
-	-	-	296
-	-	8,890	472
-	-	27,380	16,954
-	-	5,720	4,871
-	-	33,100	21,825
-	100,000	-	100,000
-	100,000	33,100	121,825
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
JOINT FUNDING ADMINISTRATION
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012**

Work Element	Economic Development		CDBG	
	150-120		150-125	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 77,603	\$ 77,603	\$ 42,096	\$ 42,096
Local funds applied	-	-	-	-
Interest income	-	-	-	-
Total revenues	<u>77,603</u>	<u>77,603</u>	<u>42,096</u>	<u>42,096</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	39,456	38,843	21,096	21,087
Employee benefits	18,697	16,134	8,476	8,475
Travel	2,000	3,692	2,610	2,613
Contracts	-	-	-	-
Other	-	1,565	674	514
Total direct expenses	<u>60,153</u>	<u>60,234</u>	<u>32,856</u>	<u>32,689</u>
Shared expenses applied	<u>17,450</u>	<u>17,369</u>	<u>9,240</u>	<u>9,407</u>
Sub-total expenditures	<u>77,603</u>	<u>77,603</u>	<u>42,096</u>	<u>42,096</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>77,603</u>	<u>77,603</u>	<u>42,096</u>	<u>42,096</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 and notes to supplementary information.

Public Administration Services		Program Administration		Joint Funding Administration	
150-140		150-150		Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 163,237	\$ 163,237	\$ 2,506	\$ 2,506	\$ 285,442	\$ 285,442
-	-	-	-	-	-
-	-	-	-	-	-
<u>163,237</u>	<u>163,237</u>	<u>2,506</u>	<u>2,506</u>	<u>285,442</u>	<u>285,442</u>
86,024	85,109	1,376	1,376	147,952	146,415
34,128	33,109	471	471	61,772	58,189
3,000	3,448	-	-	7,610	9,753
-	-	-	-	-	-
<u>2,115</u>	<u>3,627</u>	<u>-</u>	<u>-</u>	<u>2,789</u>	<u>5,706</u>
125,267	125,293	1,847	1,847	220,123	220,063
<u>37,970</u>	<u>37,944</u>	<u>659</u>	<u>659</u>	<u>65,319</u>	<u>65,379</u>
163,237	163,237	2,506	2,506	285,442	285,442
-	-	-	-	-	-
<u>163,237</u>	<u>163,237</u>	<u>2,506</u>	<u>2,506</u>	<u>285,442</u>	<u>285,442</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER FEDERAL CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012

Work Element	Ky Works		Brownsfield Assessment	
	112-674		177-870	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 1,044,427	\$ 1,003,968	\$ 160,000	\$ 50,627
Local funds applied	-	-	-	-
Interest income	-	-	-	2
Local revenue	-	-	-	3,448
Total revenues	1,044,427	1,003,968	160,000	54,077
EXPENDITURES:				
Direct Expenses:				
Salaries	353,113	348,469	1,856	1,599
Employee benefits	149,241	149,201	803	712
Travel	33,795	33,788	5,000	30
Contracts	66,510	59,764	-	-
Other	77,082	49,811	151,000	50,980
Total direct expenses	679,741	641,033	158,659	53,321
Shared expenses applied	159,598	157,847	880	756
Sub-total expenditures	839,339	798,880	159,539	54,077
Sub-recipients/sub-grantees	205,088	205,088	461	-
Total expenditures	1,044,427	1,003,968	160,000	54,077
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Other Federal Contracts	
Totals	
Budget	Actual
\$ 1,204,427	\$ 1,054,595
-	-
-	2
-	3,448
<u>1,204,427</u>	<u>1,058,045</u>
354,969	350,068
150,044	149,913
38,795	33,818
66,510	59,764
<u>228,082</u>	<u>100,791</u>
838,400	694,354
<u>160,478</u>	<u>158,603</u>
998,878	852,957
<u>205,549</u>	<u>205,088</u>
<u>1,204,427</u>	<u>1,058,045</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER STATE CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2011 TO JUNE 30, 2012

Work Element	NKY Transit Plan		Drug Court Services	
	170-664		160-160	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 5,000	\$ 5,000	\$ 145,000	\$ 145,000
Local funds applied	-	22	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	5,000	5,022	145,000	145,000
EXPENDITURES:				
Direct Expenses:				
Salaries	2,612	2,842	-	-
Employee benefits	1,033	1,052	-	-
Travel	100	22	-	-
Contracts	-	-	-	-
Other	49	-	-	-
Total direct expenses	3,794	3,916	-	-
Shared expenses applied	1,206	1,106	-	-
Sub-total expenditures	5,000	5,022	-	-
Sub-recipients/sub-grantees	-	-	145,000	145,000
Total expenditures	5,000	5,022	145,000	145,000
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and notes to supplementary information.

Transportation Planning 170-660		KYTC Centerline 171-973		KIA 172-952	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 78,254	\$ 78,254	\$ 11,600	\$ 11,538	\$ 90,000	\$ 90,000
8,695	8,695	-	438	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>86,949</u>	<u>86,949</u>	<u>11,600</u>	<u>11,976</u>	<u>90,000</u>	<u>90,000</u>
48,380	48,410	6,001	6,517	45,346	42,949
14,921	14,479	2,366	2,499	18,538	16,953
1,200	2,227	465	286	800	2,986
-	-	-	-	-	-
1,507	1,859	-	-	4,182	7,945
<u>66,008</u>	<u>66,975</u>	<u>8,832</u>	<u>9,302</u>	<u>68,866</u>	<u>70,833</u>
<u>20,941</u>	<u>19,974</u>	<u>2,768</u>	<u>2,674</u>	<u>21,134</u>	<u>19,167</u>
86,949	86,949	11,600	11,976	90,000	90,000
-	-	-	-	-	-
<u>86,949</u>	<u>86,949</u>	<u>11,600</u>	<u>11,976</u>	<u>90,000</u>	<u>90,000</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</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, 2011 TO JUNE 30, 2012**

Work Element	Homeland Security		Homeland Security	
	173-944		173-947	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal and state	\$ 45,000	\$ 40,788	\$ 35,000	\$ 23,798
Local funds applied	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	45,000	40,788	35,000	23,798
EXPENDITURES:				
Direct Expenses:				
Salaries	2,044	2,778	10,137	8,826
Employee benefits	832	855	4,003	3,228
Travel	-	-	1,000	25
Contracts	-	-	-	-
Other	-	-	15,182	8,345
Total direct expenses	2,876	3,633	30,322	20,424
Shared expenses applied	1,124	1,228	4,678	3,374
Sub-total expenditures	4,000	4,861	35,000	23,798
Sub-recipients/sub-grantees	41,000	35,927	-	-
Total expenditures	45,000	40,788	35,000	23,798
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditors' report and notes to supplementary information.

Other State Contracts		Totals	
Budget		Actual	
\$	409,854	\$	394,378
	8,695		9,155
	-		-
	-		-
	<u>418,549</u>		<u>403,533</u>
	114,520		112,322
	41,693		39,066
	3,565		5,546
	-		-
	<u>20,920</u>		<u>18,149</u>
	180,698		175,083
	<u>51,851</u>		<u>47,523</u>
	232,549		222,606
	<u>186,000</u>		<u>180,927</u>
	<u>418,549</u>		<u>403,533</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, 2011 TO JUNE 30, 2012**

Work Element	General Administration		Human Services Division	
	Various		Various	
	Budget	Actual	Budget	Actual
REVENUES:				
Local funds applied	\$ -	\$ (35,514)	\$ -	\$ -
Interest income	-	1,419	-	2
Local revenue	12,000	8,397	103,639	51,217
Local contributions	160,000	147,699	-	-
Total revenues	<u>172,000</u>	<u>122,001</u>	<u>103,639</u>	<u>51,219</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	10,374	3,240
Employee benefits	-	-	4,096	1,327
Travel	-	15,753	1,170	1,352
Contracts	-	-	-	-
Uncollectible governmental funds	-	163,927	-	-
Other	-	78,108	86,929	47,028
Total direct expenses	-	257,788	102,569	52,947
Shared expenses applied	-	-	4,787	1,989
Sub-total expenditures	-	257,788	107,356	54,936
Sub-recipients/sub-grantees	-	-	-	-
Total expenditures	-	257,788	107,356	54,936
Excess revenues (expenditures) before transfers to (from)	<u>172,000</u>	<u>(135,787)</u>	<u>(3,717)</u>	<u>(3,717)</u>
Transfers to (from):				
From #320-304	-	-	3,717	3,717
Excess revenues (expenditures)	<u>\$ 172,000</u>	<u>\$ (135,787)</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report and notes to supplementary information.

Workforce Development Division		Development Services Division		Public Administration Services Division	
Various		Various		Various	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 8	\$ 8	\$ -	\$ 2,363	\$ -	\$ 9,835
-	-	-	-	-	-
53,109	53,109	175,283	175,563	81,883	76,748
-	-	-	-	-	-
<u>53,117</u>	<u>53,117</u>	<u>175,283</u>	<u>177,926</u>	<u>81,883</u>	<u>86,583</u>
26,776	26,776	82,632	87,487	41,511	40,344
11,548	11,548	33,408	33,652	15,999	14,369
2,479	2,479	6,850	8,236	4,200	7,554
-	-	-	-	-	-
-	-	-	-	-	-
-	-	23,443	18,960	3,782	9,770
40,803	40,803	146,333	148,335	65,492	72,037
12,314	12,314	28,950	29,591	16,391	14,546
53,117	53,117	175,283	177,926	81,883	86,583
-	-	-	-	-	-
<u>53,117</u>	<u>53,117</u>	<u>175,283</u>	<u>177,926</u>	<u>81,883</u>	<u>86,583</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</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, 2011 TO JUNE 30, 2012

Work Element	Case Management Division		Other Local Contracts	
	Various		Totals	
	Budget	Actual	Budget	Actual
REVENUES:				
Local funds applied	\$ -	\$ (4,304)	\$ 8	\$ (27,612)
Interest income	-	-	-	1,421
Local revenue	228,139	185,564	654,053	550,598
Local contributions	-	-	160,000	147,699
Total revenues	228,139	181,260	814,061	672,106
EXPENDITURES:				
Direct Expenses:				
Salaries	99,891	94,781	261,184	252,628
Employee benefits	42,040	36,551	107,091	97,447
Travel	6,398	8,053	21,097	43,427
Contracts	-	-	-	-
Contracts	-	-	-	163,927
Other	34,288	692	148,442	154,558
Total direct expenses	182,617	140,077	537,814	711,987
Shared expenses applied	45,522	41,183	107,964	99,623
Sub-total expenditures	228,139	181,260	645,778	811,610
Sub-recipients/sub-grantees	-	-	-	-
Total expenditures	228,139	181,260	645,778	811,610
Excess revenues (expenditures) before transfers to (from)	-	-	168,283	(139,504)
Transfers to (from):				
From #320-304	-	-	3,717	3,717
Excess revenues (expenditures)	\$ -	\$ -	\$ 172,000	\$ (135,787)

See independent auditors' report and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF ALLOCATED COSTS CLAIMED
YEAR ENDED JUNE 30, 2012**

	<u>Costs Claimed</u>
Shared Expenses:	
Salaries	\$ 508,281
Employee benefits	145,369
Travel	14,977
Contractual	73,934
Other	
Interest	71,390
Miscellaneous	59,354
Depreciation	48,093
Insurance	82,177
Postage	13,565
Telephone	7,897
Consumable supplies	40,295
Utilities	25,281
Computer software and hardware	15,133
Janitor service	12,725
Equipment	23,010
Organizational dues	3,624
Registration	1,245
Marketing and advertising	5,144
Equipment service	1,337
Printing and publications	-
Total other	410,270
Total shared expenses	1,152,831
Shared expenses allocated (1)	(1,152,831)
Shared expenses over applied	\$ -

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 29.57% of total direct salaries and employee fringe benefits.

See independent auditors' report and notes to supplementary information.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2012**

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 Northern Kentucky Community Action Commission, Community Yellow Cab, Saint Charles Care Center, and Interim Healthcare, 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.
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

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 AUDITORS' 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, 2012, which collectively comprise the Northern Kentucky Area Development District's basic financial statements and have issued our report thereon dated February 7, 2013. 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

Management of the Northern Kentucky Area Development District is responsible for establishing and maintaining effective 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*.

We noted certain matters that we reported to management of the Northern Kentucky Area Development District, in a separate letter dated February 7, 2013.

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
February 7, 2013

**INDEPENDENT AUDITORS' 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, 2012. The Northern Kentucky Area Development District's major federal programs are identified in the summary of auditors' 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, 2012.

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.

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 February 7, 2013.

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.

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012**

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
NONCASH:		
The Emergency Food Assistance Program (Food Commodities)	10.569	PON2-03510000032671
Sub-total for the Emergency Food Assistance Cluster		
Sub-total for U.S. Department of Agriculture		
U. S. Department of Commerce		
Passed through Governors Office of Local Development:		
Economic Development Administration - 301B	11.302	PON2-1100003178
Economic Adjustment Assistance- Revolving loan fund	11.307	04-19-59014
Sub-total for U.S. Department of Commerce		
U. S. Department of Housing and Urban Development		
Passed through Kentucky Housing Corporation:		
Supportive Housing (Planks I)	14.235	SH10-0143-01
Supportive Housing (Rural Case Management)	14.235	SH10-0143-02
Supportive Housing (Single-Family Property Disposition Program)	14.235	SH10-0557-01
Sub-total		
Homelessness Prevention and Rapid Re-Housing Program - ARRA	14.257	KH10-0143-01
Passed through Governors Office of Local Development:		
Community Development Block Grant	14.228	PON2-1100003178
Sub-total for U.S. Department of Housing and Urban Development		
U. S. Department of Labor		
Passed through Kentucky Cabinet for Workforce Development		
Workforce Investment Act Cluster:		
Workforce Investment Act - Adult Program	17.258	27012
Workforce Investment Act - Adult Program	17.258	27311
Workforce Investment Act - Adult Program	17.258	27312
Workforce Investment Act - Adult Program	17.258	27011
Workforce Investment Act - Youth Activities	17.259	27411
Workforce Investment Act - Youth Activities	17.259	27410
Workforce Investment Act - Youth Activities	17.259	27412
Workforce Investment Act - Dislocated Workers	17.278	27211
Workforce Investment Act - Dislocated Workers	17.278	27112
Workforce Investment Act - Dislocated Workers	17.278	27111

* Denotes a Major Program

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

Program Award Amounts	Federal Expenditures
\$ 57,500	\$ <u>74,450</u>
150,000	92,467
	<u>351,559</u>
	<u>444,026</u>
	518,476
65,500	65,500
500,000	<u>506,297</u>
	571,797
451,318	429,339
25,482	25,482
92,797	<u>86,047</u>
1,426,000	540,868
	438,931 *
22,000	<u>22,000</u>
	1,001,799
45,230	43,958
425,561	140,357
630,064	329,322
84,133	670
481,878	264,037
369,206	29,003
571,769	311,168
553,022	328,028
760,528	555,547
777,289	268,582

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number
Passed through Kentucky Cabinet for Workforce Development (continued)		
Workforce Investment Act Cluster (continued):		
Workforce Investment Act - Dislocated Workers	17.278	27212
Workforce Investment Act - Dislocated Workers	17.278	EM-20029-10-60-A-21
Sub-total for Workforce Investment Act Cluster		
Workforce Investment Act - National Emergency Grant	17.277	25812/25811
Workforce Investment Act - National Emergency Grant	17.277	25812
Trade Adjustment Assistance	17.245	20510
Sub-total for U.S. Department of Labor		
U. S. Environmental Protection Agency		
Brownfields Assessment and Cleanup Cooperative Agreements - ARRA	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 1100002166
Title III, Part B Support Services (Administration)	93.044	PON2-725 1100002166
Title III, Part C Nutrition Services	93.045	PON2-725 1100002166
Title III, Part C Nutrition Services	93.045	PON2-725 1100002166
Nutrition Services Incentive Program, NSIP	93.053	PON2-725 1100002166
Sub-total for Aging Cluster		
Title VII, Elder Abuse Prevention	93.041	PON2-725 1100002166
Title VII, Ombudsman	93.042	PON2-725 1100002166
Title VII, Ombudsman Education	93.042	PON2-725 1100002166
Title III, Part E Family Caregiver Support (Administration)	93.052	PON2-725 1100002166
Title III, Part E Family Caregiver Support	93.052	PON2-725 1100002166
Title III, Part D Preventive Health	93.043	PON2-725 1100002166
Affordable Care Act, AAA - (MIPPA 2)	93.518	PON2-725 1100002166
Affordable Care Act, ADRC - (MIPPA 2)	93.518	PON2-725 1100002166
Affordable Care Act, SHIP - (MIPPA 2)	93.779	PON2-725 1100002166
Centers for Medicare & Medicaid Services, CMS - (SHIP)	93.779	PON2-725 1100002166
Title IV & Title II Discretionary Projects - ADRC	93.048	PON2-725 1100002166
Chronic Disease Self Management Grant - ARRA	93.725	PON2-725 1100002166
Temporary Assistance for Needy Families - KY Works	93.558	PON2-7361000001484-1
Section Q Money Follows Person	93.791	PON2-725 1100002166
Sub-total for U.S. Department of Health and Human Services		
Total Federal Expenditures		
Total Federal Expenditures - Cash		
Total Federal Expenditures - Non-cash		

* Denotes a Major Program

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

Program Award Amounts	Federal Expenditures	
180,243	\$ 158,469	
\$ 250,000	50,500	
	<u>2,479,641</u>	
798,100	391,172	*
469	469	*
657,180	338,893	
	<u>3,210,175</u>	
200,000	50,627	
480,831	471,077	*
88,431	76,037	*
301,072	228,113	*
164,650	142,513	*
100,122	100,122	*
	<u>1,017,862</u>	
5,175	5,082	
10,395	10,395	
9,129	5,500	
13,296	12,724	*
149,349	125,265	*
30,495	30,495	
24,483	24,483	
23,187	23,187	
19,293	19,293	
58,115	57,058	
8,701	8,701	
63,949	34,078	
1,044,427	1,003,968	
11,500	9,348	
	<u>2,387,439</u>	
	\$ 7,740,313	
	<u>\$ 7,388,754</u>	
	<u>\$ 351,559</u>	

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Northern Kentucky Area Development District. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of NKADD, it is not intended to and does not present the financial position, changes in net assets or cash flows of the NKADD. 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 – Summary of Significant Accounting

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-21, Cost Principles for Education Institutions, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Note 3 - 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	\$ 351,559 (F)
Nutrition Services Incentive Program, NSIP	93.053	100,122 (F)
Supportive Housing	14.235	523,176 (F/S)
Workforce Investment Act	17.245, 17.258, 17.259, 17.277, 17.278	1,876,660 (F/S)
Title VII, Elder Abuse Prevention	93.041	5,082 (F)
Title VII, Ombudsman	93.042	10,395 (F)
Title III, Part B Support Services	93.044	514,636 (F/S)
Title III, Part C Nutrition Services	93.045	413,596 (F/S)
Title III, Part E Caregiver Support	93.052	62,006 (F/S)
Title III, Part D Preventive Health	93.043	91,773 (F/S)
Homelessness Prevention and Rapid Re-housing Centers for Medicare and Medicaid Services, CMS - SHIP	14.257 93.779	376,049 (F) 55,510 (F)
MIPPA 2	93.779, 93.518	45,642 (F)
Temporary Assistance for Needy Families – KY Works	93.558	<u>205,088 (F)</u>
Total		<u>\$4,631,294</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, 2012**

Note 4 - Revolving Loan Fund Calculation

Balance of loans outstanding	\$363,042
Plus: Cash and investment balance	125,026
Plus: Administrative expenses	18,229
Less: Loans written off during the fiscal year	<u>-</u>
Subtotal	506,297
Multiplied by federal share of initial capitalization	<u>100%</u>
Total	<u>\$506,297</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2012**

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):	Homelessness Prevention and Rapid Re-Housing Program - ARRA [CFDA 14.257], Workforce Investment Act National Emergency Grant [CFDA 17.277] Aging Cluster [CFDA 93.044, 93.045, and 93.053], Title III, Part E Family Caregiver Support [CFDA 93.052],
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, 2011**

PRIOR YEAR – FINANCIAL STATEMENT FINDINGS

None

PRIOR YEAR – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

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