

**NORTHERN KENTUCKY AREA  
DEVELOPMENT DISTRICT**

**Year Ended June 30, 2013**

*FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'  
REPORT INCLUDING SUPPLEMENTAL INFORMATION*

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 2013**

**WITH**

**Independent Auditors' Reports**

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 2013**

**WITH**

**Independent Auditors' Reports**

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 2013**

**WITH**

**Independent Auditors' Reports**

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Northern Kentucky Area Development District  
Florence, Kentucky

### Report on the Financial Statements

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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### 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, 2013, and the respective changes in financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northern Kentucky Area Development District's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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.*

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

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, 2013. Please read it in conjunction with the NKADD's financial statements, which begins on page 6.

**FINANCIAL HIGHLIGHTS**

The total net position serves over time as an indicator of an organization's financial position. In the case of the NKADD, assets exceeded liabilities by \$2,721,189. The beginning net position was \$2,217,924. The unrestricted fund balance as of June 30, 2013 was \$2,229,389 compared to \$1,774,534 at the end of FY 2012.

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

	FY '13	FY '12
<b>Assets</b>		
Current Assets	\$4,349,652	\$4,081,211
Non-Current Assets	<u>1,760,022</u>	<u>1,758,021</u>
<b>Total</b>	<u>\$6,109,674</u>	<u>\$5,839,232</u>
<b>Liabilities</b>		
Current Liabilities	\$2,110,009	\$2,291,308
Non-Current Liabilities	<u>1,278,476</u>	<u>1,330,000</u>
<b>Total</b>	<u>\$3,388,485</u>	<u>\$3,621,308</u>
<b>Net position</b>		
Investment in capital assets, net of related debt	\$ 118,030	\$ 79,377
Restricted		
Loan program	373,770	364,013
Unrestricted	<u>2,229,389</u>	<u>1,774,534</u>
<b>Total</b>	<u>\$2,721,189</u>	<u>\$2,217,924</u>

Total governmental funds revenue for the period ending June 30, 2013 was \$17,120,196. For the previous fiscal year, the total revenue was \$16,976,892. This results in a .84% increase in revenues. The minor increases in revenues for FY 2013 were due to modest increases in the Consumer Directed Options Program.

**USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Position 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, 2013**

**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 Position 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 position and changes in them. You can think of the NKADD's net position—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 position 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 Position 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 Position 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, 2013**

**General Fund Budgetary Highlights**

In Fiscal Year 2013, the NKADD had an initial total budget projected of \$17,155,769 in revenues and \$17,098,000 in expenditures, with net change in fund balance of \$57,769. Of these dollars \$11,500,000 was projected pass-thru. During Fiscal Year 2013, the budget was amended to increase revenues to \$19,001,264 and increase expenditures to \$18,829,264. The actual revenues on the budgetary basis for Fiscal Year 2013 were \$16,381,935 and \$15,906,296 in actual expenditures, compared to Fiscal Year 2012 revenues of \$16,503,508 and expenditures of \$16,327,735.

**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, 2013 and June 30 2012. This represents the only capital asset not depreciated. The office building has a historical cost of \$1,591,066 for both June 30, 2013 and June 30, 2012. The accumulated depreciation for the office building at June 30, 2013 was \$571,550 and at June 30, 2012 was \$523,457. The increase of \$48,093 was depreciation expense for fiscal year 2013. Computer equipment has a historical cost of \$543,529 for June 30, 2013 and \$738,468 for June 30, 2012. During the fiscal year there were additions to computer equipment for \$96,539 and disposals of \$291,478. Accumulated depreciation for computer equipment was \$427,106 at June 30, 2013 and \$676,715 at June 30, 2012. Accumulated depreciation for computer equipment increased for depreciation of \$41,870 and decreased for disposals of \$291,479. Furniture and fixtures have a historical cost of \$232,477 for June 30, 2013 and \$270,014 for June 30, 2012. During the fiscal year there were additions to furniture and fixtures for \$549 and disposals of \$38,086. The accumulated depreciation for furniture and fixtures was \$185,826 at June 30, 2013 and \$210,133 at June 30, 2012. Accumulated depreciation for furniture and fixtures increased for depreciation of \$13,464 and decreased for disposals of \$37,771. Computer software has a historical cost of \$42,173 for both June 30, 2013 and June 30, 2012. The accumulated depreciation for computer software was \$7,732 at June 30, 2013 and \$3,514 at June 30, 2012. Accumulated depreciation for computer software increased for depreciation of \$4,218.

**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 \$1,325,976 at June 30, 2013 and \$1,375,500 at June 30, 2012. The \$49,524 decrease represents the principal payment made during Fiscal Year 2013. The debt service total principal and interest for Fiscal Year 2014 will be \$114,455.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**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. For Fiscal Year 2014, budgeted revenues are \$16,958,072 and expenditures are \$16,895,503. The difference between Fiscal Year 2014 budgeted revenues and expenditures is \$62,569. The slight decreases in budgeted revenues from the previous fiscal year original budget are due to the discontinuation of the HEARTH Housing Program and the budget reductions in the Employment Connections program. These are anticipated to be somewhat offset once again by modest increases in the Consumer Directed Options program.

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 2014 is 18.89%. This represents a 3.4% decrease. In Fiscal Year 2015, the CERS rate will decline to 17.67%.

With respect to Fiscal Year 2015, the legislature will be setting the two-year budget during the General Assembly Session which begins in January, 2014. While overall budget cuts are not anticipated, it remains to be seen how the state budget will impact NKADD's funding.

On the federal level, impacts could be greater for both the current year and Fiscal Year 2015, due to ongoing sequestration and debt ceiling issues. Proposals to reduce programs could have a greater chance of being implemented than in past years. If implemented, such reductions could impact programs of the NKADD, but at this point in the current year, where any decreases would fall is unknown.

The NKADD has been able to better position itself for emergencies. The unrestricted fund balance as of June 30, 2013 was \$2,229,389 compared to \$1,774,534 at the end of Fiscal Year 2012. 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 POSITION  
JUNE 30, 2013**

	Primary Governmental
<b>- ASSETS -</b>	
Current assets:	
Cash and cash equivalents	\$ 1,945,163
Cash - building reserve account	122,481
Accounts receivable	2,187,311
Prepaid expenses	37,914
Loans receivable	56,783
<b>Total current assets</b>	<b>4,349,652</b>
Noncurrent Assets:	
Loans receivable	316,016
Capital assets, net	1,444,006
<b>Total non-current assets</b>	<b>1,760,022</b>
 <b>Total assets</b>	 <b>\$ 6,109,674</b>
 <b>- LIABILITIES -</b>	
Current liabilities:	
Accounts payable	\$ 1,321,095
Accrued expenses	133,356
Funds received in excess of revenues earned	491,183
Employees accrued annual leave	116,875
Current portion of notes payable	47,500
<b>Total current liabilities</b>	<b>2,110,009</b>
Noncurrent liabilities:	
Notes payable	1,278,476
 <b>Total liabilities</b>	 <b>\$ 3,388,485</b>
 <b>- NET POSITION -</b>	
Investment in capital assets, net of related debt	\$ 118,030
Restricted for:	
Loan program	373,770
Unrestricted	2,229,389
 <b>Total net position</b>	 <b>\$ 2,721,189</b>

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2013**

	Functions	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Total
		Expenses	Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities</b>					
Cabinet for Health and Family Services		\$ 9,695,222	\$ 68	\$ 10,106,586	\$ 411,432
Workforce Investment Act		3,351,531	-	3,351,531	-
Commodities		817,748	65	817,683	-
Supportive Housing		446,962	-	446,962	-
Loan Program		15,074	17,323	7,508	9,757
Joint Funding Administration		261,280	-	261,280	-
Other Federal Contracts		1,010,452	-	1,010,452	-
Other State Contracts		332,491	-	333,453	962
Other Local Contracts		654,975	437,833	170,804	(46,338)
<b>Total governmental activities</b>		<b>16,585,735</b>	<b>455,289</b>	<b>16,506,259</b>	<b>375,813</b>
<b>GENERAL REVENUES:</b>					
Municipal contributions					126,572
Interest income					880
<b>Total general revenues</b>					<b>127,452</b>
<b>Change in net position</b>					<b>503,265</b>
<b>NET POSITION, BEGINNING</b>					<b>2,217,924</b>
<b>NET POSITION, ENDING</b>					<b>\$ 2,721,189</b>

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013**

	General	Special Revenue	Total Governmental Funds
<b>- ASSETS -</b>			
Cash and cash equivalents	\$ 1,945,163	\$ -	\$ 1,945,163
Cash - building reserve account	122,481	-	122,481
Accounts receivable	2,187,311	-	2,187,311
Prepaid expenses	37,914	-	37,914
Loans receivable	-	372,799	372,799
Due (to)/from other funds	(172,039)	172,039	-
<b>Total assets</b>	<b>\$ 4,120,830</b>	<b>\$ 544,838</b>	<b>\$ 4,665,668</b>
 <b>- LIABILITIES AND FUNDS EQUITY -</b>			
<b>- LIABILITIES -</b>			
Accounts payable	\$ 1,321,095	\$ -	\$ 1,321,095
Accrued expenses	133,356	-	133,356
Funds received in excess of revenues earned	371,835	119,348	491,183
Employees accrued annual leave	116,875	-	116,875
<b>Total liabilities</b>	<b>1,943,161</b>	<b>119,348</b>	<b>2,062,509</b>
 <b>- FUND BALANCES -</b>			
Non-spendable			
Prepaid expenses	37,914	-	37,914
Restricted			
Loan program	-	373,770	373,770
Building reserve	122,481	-	122,481
Assigned			
Working capital	-	51,720	51,720
Unassigned	2,017,274	-	2,017,274
<b>Total fund balances</b>	<b>2,177,669</b>	<b>425,490</b>	<b>2,603,159</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,120,830</b>	<b>\$ 544,838</b>	<b>\$ 4,665,668</b>

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE  
TO NET POSITION  
JUNE 30, 2013**

**Total fund balance - governmental funds** \$ 2,603,159

*Amounts reported for governmental activities in the  
statement of net position 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. 1,444,006

Long term liabilities are not due and payable in the current period and,  
therefore, they are not reported in the governmental funds balance sheet. (1,325,976)

*Net position of governmental activities* \$ 2,721,189

**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, 2013**

	General	Special Revenue	Totals
<b>REVENUES:</b>			
Applied to all programs:			
Federal revenues	\$ 6,784,799	\$ 35,789	\$ 6,820,588
State revenues	8,785,129	-	8,785,129
Federal commodities	685,149	-	685,149
Interest income	1,013	17,323	18,336
Local revenues	810,994	-	810,994
<b>Net revenues</b>	<u>17,067,084</u>	<u>53,112</u>	<u>17,120,196</u>
<b>EXPENDITURES:</b>			
CHFS - other sub-grantees	7,286,594	-	7,286,594
WIA sub-grantees	2,210,012	-	2,210,012
Commodities	685,149	-	685,149
Supportive Housing sub-grantees	415,659	-	415,659
Other Federal Contracts sub-grantees	167,243	-	167,243
Other State Contracts sub-grantees	122,000	-	122,000
Other State Contracts sub-grantees	39,861	-	39,861
Revolving loans	-	40,953	40,953
Direct salaries	3,044,909	8,666	3,053,575
Direct employee benefits	1,181,030	3,529	1,184,559
Direct travel	175,414	12	175,426
Direct contracts	107,742	564	108,306
Direct other	496,618	537	497,155
Direct local non-grant expenses	63,917	-	63,917
Shared expenses	595,297	1,766	597,063
<b>Total expenditures</b>	<u>16,591,445</u>	<u>56,027</u>	<u>16,647,472</u>
<b>Excess of revenues</b>	<u>475,639</u>	<u>(2,915)</u>	<u>472,724</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating sources in	48,808	12,672	61,480
Operating uses out	(69,592)	-	(69,592)
<b>Net other financing sources (uses)</b>	<u>(20,784)</u>	<u>12,672</u>	<u>(8,112)</u>
<b>Net change in fund balances</b>	454,855	9,757	464,612
<b>Fund balances - beginning of year</b>	<u>1,722,814</u>	<u>415,733</u>	<u>2,138,547</u>
<b>Fund balances - end of year</b>	<u>\$ 2,177,669</u>	<u>\$ 425,490</u>	<u>\$ 2,603,159</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, 2013**

**Net change in fund balances - total government funds** \$ 464,612

*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 (\$107,645) and loss on disposals (\$314) exceeded capital outlays and adjustments (\$97,088). (10,871)

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. 49,524

*Change in Net Position of Governmental Activities* \$ 503,265

**The accompanying notes are an integral part of this statement.**

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

In the government-wide Statement of Net Position, 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 position are reported in three parts – invested in capital assets, net of related debt, unrestricted net position, and restricted net position.

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 position 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, 2013**

**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 position), 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, 2013**

**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, 2013 the NKADD held no cash equivalents.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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 – CONCENTRATION OF CREDIT RISK**

The NKADD's deposits consist of cash in interest bearing accounts. The NKADD's deposits were partially secured by Federal Depository Insurance. Deposits in excess of the Federal Depository Insurance limit are to be collateralized with securities held by the bank, its trust department or by its agent but not in the NKADD's name. At June 30, 2013, the NKADD's deposits were under collateralized by \$177,000.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 2 - CONCENTRATION OF CREDIT RISK (CONTINUED)**

The carrying amount of the Northern Kentucky Area Development District's deposits with financial institutions at June 30, 2013 totaled \$2,067,494 and the bank balances totaled \$2,351,455. The Federal Depository Insurance Corporation covered \$250,000 of bank balances at each financial institution with the remainder having specific pledged collateral.

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.

**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, 2013.

The NKADD leases office space for the One Stop and Kentucky Works programs under five year rental agreements. The current year lease expense was \$84,524. The approximate future minimum lease payments relative to these leases as of June 30, 2013 are summarized as follows:

<u>Fiscal Year Ending June 30</u>	
2014	\$ 100,688
2015	84,846
2016	<u>33,929</u>
	\$ <u>219,463</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 (19.55% at June 30, 2013) 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, 2013**

**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, 2011</u>	<u>June 30, 2012</u>	<u>June 30, 2013</u>
Assets available for benefits	\$ 7,409,156,576	\$ 7,294,614,896	\$ 7,438,785,893
Pension benefit obligation	(11,777,126,077)	(12,149,559,743)	(12,503,081,707)
Assets under benefit obligations	\$(4,367,969,501)	\$(4,854,944,847)	\$(5,064,295,814)

Ten-year historical trend information showing CERS's progress in accumulating sufficient assets to pay benefits when due is presented in its June 30, 2013 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 \$ 585,058, \$575,299, and \$482,020 for the fiscal years ended June 30, 2013, 2012 and 2011, respectively.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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>
<b>Governmental activities:</b>				
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	738,468	96,539	(291,478)	543,529
Furniture and fixtures	<u>270,014</u>	<u>549</u>	<u>(38,086)</u>	<u>232,477</u>
Total capital assets being depreciated	<u>2,641,721</u>	<u>97,088</u>	<u>(329,564)</u>	<u>2,409,245</u>
Less accumulated depreciation for:				
Buildings and improvements	(523,457)	(48,093)	-	(571,550)
Computer software	(3,514)	(4,218)	-	(7,732)
Computer equipment	(676,715)	(41,870)	291,479	(427,106)
Furniture and fixtures	<u>(210,133)</u>	<u>(13,464)</u>	<u>37,771</u>	<u>(185,826)</u>
Total accumulated depreciation	<u>(1,413,819)</u>	<u>(107,645)</u>	<u>329,250</u>	<u>(1,192,214)</u>
Other capital assets, net	<u>1,227,902</u>	<u>(10,557)</u>	<u>(314)</u>	<u>1,217,031</u>
Governmental activities capital assets, net	<u>\$1,454,877</u>	<u>\$ (10,557)</u>	<u>\$ (314)</u>	<u>\$ 1,444,006</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	\$ 950,140	\$ (36,024)	\$ 914,116
Series B	<u>425,360</u>	<u>(13,500)</u>	<u>411,860</u>
	<u>\$1,375,500</u>	<u>\$ (49,524)</u>	<u>\$1,325,976</u>



**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**NOTE 6 - NOTE PAYABLE (CONTINUED)**

The schedule of payments of the Bonds is as follows:

Debt Service to Maturity

Year Ending June 30	USDA Series A		USDA Series B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
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
2018	41,000	37,088	18,000	18,992	59,000	56,080
2019-2023	236,000	151,237	108,500	79,345	344,500	230,582
2024-2028	303,000	82,460	144,500	47,150	447,500	129,610
2029-2031	<u>191,116</u>	<u>10,068</u>	<u>77,360</u>	<u>8,536</u>	<u>268,476</u>	<u>18,604</u>
	<u>\$914,116</u>	<u>\$448,497</u>	<u>\$411,860</u>	<u>\$238,586</u>	<u>\$1,325,976</u>	<u>\$ 687,083</u>

On December 18, 2013, the above bonds were paid in full with funds from the City of Florence under a lease/financing arrangement. (See Note 10 – Subsequent Events)

**NOTE 7 - OTHER FINANCING SOURCES (USES)**

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

	Governmental Fund Types	
	General Fund	Special Revenue Fund Types
Principal payment on USDA financing	\$ (49,524)	\$ -
Transfer from general fixed assets	48,494	-
Transfer to general fixed assets	(17,153)	-
Loss on disposal of fixed assets	314	-
Transfer from general fund to special revenue fund	(2,915)	2,915
Net Revolving loan principle activity	<u>-</u>	<u>9,757</u>
Net other financing sources (uses)	<u>\$ (20,784)</u>	<u>\$ 12,672</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2013**

**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, 2013 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 '13 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 POSITION**

Net position 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 position of \$373,770 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 position.

**NOTE 10 – SUSEQUENT EVENTS**

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

On December 18, 2013, the NKADD's remaining U.S. Department of Agriculture (USDA) debt was paid in full with funds provided by the City of Florence through its General Obligation Bond issue. The lease/financing arrangement with the city provides approximately \$2,415,000 to be expended as follows:

Payoff of USDA loans	\$1,358,000
Building improvements and expansion	1,003,000
Loan costs	<u>54,000</u>
 Total	 <u>\$2,415,000</u>

The new obligation is payable annually through January 1, 2034, with average interest at approximately 3.5%, payable semi-annually.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Fund balance July 1, 2012</b>	\$ 1,722,814	\$ 1,722,814	\$ 1,722,814	\$ -
<b>RESOURCES (inflows):</b>				
Federal and state revenues	4,654,776	5,223,628	5,368,420	144,792
Local contract revenue	823,993	644,313	610,531	(33,782)
Local contribution revenue	160,000	160,000	155,135	(4,865)
Annual meeting	12,000	12,000	5,467	(6,533)
Miscellaneous revenue	5,000	-	1,013	1,013
Pass-through revenue	11,500,000	12,961,323	10,241,369	(2,719,954)
<b>Total resources</b>	<u>17,155,769</u>	<u>19,001,264</u>	<u>16,381,935</u>	<u>(2,619,329)</u>
Amounts available for use	<u>18,878,583</u>	<u>20,724,078</u>	<u>18,104,749</u>	<u>(2,619,329)</u>
<b>EXPENDITURES (outflows):</b>				
Direct salaries	3,054,417	3,140,982	3,044,909	96,073
Direct employee benefits	1,219,837	1,205,000	1,181,030	23,970
Direct travel	173,379	204,884	175,414	29,470
Direct contracts	123,227	110,829	107,742	3,087
Direct other	335,173	472,664	447,094	25,570
Direct local non-grant expenses	61,000	61,000	63,917	(2,917)
Shared expenses	585,467	627,082	595,297	31,785
Building principal and reserve	45,500	45,500	49,524	(4,024)
Pass-through expenditures	11,500,000	12,961,323	10,241,369	2,719,954
<b>Total expenditures before other source:</b>	17,098,000	18,829,264	15,906,296	2,922,968
<b>Net other financing uses</b>	<u>-</u>	<u>-</u>	<u>20,784</u>	<u>(20,784)</u>
<b>Net expenditures</b>	<u>17,098,000</u>	<u>18,829,264</u>	<u>15,927,080</u>	<u>2,902,184</u>
<b>Budgetary fund balance June 30, 2013</b>	<u>\$ 1,780,583</u>	<u>\$ 1,894,814</u>	<u>\$ 2,177,669</u>	<u>\$ 282,855</u>

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
NOTES TO BUDGETARY COMPARISON SCHEDULE  
JUNE 30, 2013**

**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.

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY INFORMATION**

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, 2013, as listed in the table of contents is not a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the accompanying summary information is fairly stated in all material respects, in relation to the portion of the basic financial statements from which it has been derived.

*VonLehman & Company Inc.*

Fort Mitchell, Kentucky  
January 24, 2014

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY GRANT  
GENERAL AND SPECIAL REVENUE FUND TYPES  
YEAR ENDED JUNE 30, 2013**

<b>REFERENCE</b>	<u>Cabinet for Health and Family Services Pages 26-31</u>	<u>Workforce Investment Act Pages 50-57</u>	<u>Commodities Pages 78-79</u>	<u>Supportive Housing Pages 80-81</u>
<b>REVENUES:</b>				
Federal	\$ 1,773,260	\$ 3,351,162	\$ 132,534	\$ 426,961
State	8,273,319	-	-	20,000
Federal commodities	-	-	685,149	-
Local funds applied	12,785	369	-	1
Match - cash	436,120	-	-	-
Match - In kind	290,017	-	-	72,151
Program income	108,643	-	-	-
Interest income	68	-	65	-
Local revenue	47,222	-	-	-
<b>Total revenues</b>	<u>10,941,434</u>	<u>3,351,531</u>	<u>817,748</u>	<u>519,113</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	1,381,643	659,294	51,893	19,900
Employee benefits	536,987	250,103	18,680	7,340
Travel	70,896	30,286	1,932	461
Contracts	2,410	936	36,000	-
Other	142,575	72,329	14,545	-
<b>Total direct expenses</b>	<u>2,134,511</u>	<u>1,012,948</u>	<u>123,050</u>	<u>27,701</u>
<b>Shared expenses applied</b>	<u>271,617</u>	<u>128,571</u>	<u>9,549</u>	<u>3,602</u>
<b>Sub-total expenditures</b>	<u>2,406,128</u>	<u>1,141,519</u>	<u>132,599</u>	<u>31,303</u>
<b>Sub-recipients/sub-grantees</b>	<u>8,121,374</u>	<u>2,210,012</u>	<u>685,149</u>	<u>487,810</u>
<b>Total expenditures</b>	<u>10,527,502</u>	<u>3,351,531</u>	<u>817,748</u>	<u>519,113</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>413,932</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>(2,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ 411,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Loan Program</u> <u>Pages 82-83</u>	<u>Joint Funding</u> <u>Administration</u> <u>Pages 84-85</u>	<u>Other Federal</u> <u>Contracts</u> <u>Pages 86-88</u>	<u>Other State</u> <u>Contracts</u> <u>Pages 90-92</u>	<u>Other Local</u> <u>Contracts</u> <u>Pages 94-96</u>	<u>Shared</u> <u>Expenses</u> <u>Page 97</u>	<u>Revenues and</u> <u>Expenditures</u> <u>Total</u>
\$ 35,789	\$ 92,000	\$ 1,008,882	\$ -	\$ -	\$ -	\$ 6,820,588
-	169,052	-	322,758	-	-	8,785,129
-	-	-	-	-	-	685,149
2,915	228	1,570	10,695	(28,563)	-	-
-	-	-	-	-	-	436,120
-	-	-	-	-	-	362,168
-	-	-	-	-	-	108,643
17,323	-	-	-	880	-	18,336
-	-	-	-	763,772	-	810,994
<u>56,027</u>	<u>261,280</u>	<u>1,010,452</u>	<u>333,453</u>	<u>736,089</u>	<u>-</u>	<u>18,027,127</u>
8,666	157,853	376,948	120,670	276,708	72,892	3,126,467
3,529	59,527	156,579	46,032	105,782	18,981	1,203,540
12	6,218	30,120	4,455	31,046	12,449	187,875
564	-	61,924	-	6,472	74,984	183,290
537	7,715	142,673	15,875	164,823	417,757	978,829
<u>13,308</u>	<u>231,313</u>	<u>768,244</u>	<u>187,032</u>	<u>584,831</u>	<u>597,063</u>	<u>5,680,001</u>
<u>1,766</u>	<u>29,967</u>	<u>74,965</u>	<u>23,459</u>	<u>53,567</u>	<u>(597,063)</u>	<u>-</u>
15,074	261,280	843,209	210,491	638,398	-	5,680,001
40,953	-	167,243	122,000	39,861	-	11,874,402
<u>56,027</u>	<u>261,280</u>	<u>1,010,452</u>	<u>332,491</u>	<u>678,259</u>	<u>-</u>	<u>17,554,403</u>
-	-	-	962	57,830	-	472,724
-	-	-	-	2,500	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 962</u>	<u>\$ 60,330</u>	<u>\$ -</u>	<u>\$ 472,724</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY PROGRAM  
CABINET FOR HEALTH AND FAMILY SERVICES  
TOTAL BY PROGRAM  
PERIOD PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

REFERENCE	Title III		Title VII	
	Pages 32-35		Pages 36-37	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 1,169,978	\$ 1,162,951	\$ 25,224	\$ 21,644
State	472,145	472,145	-	-
Local funds applied	4,423	4,506	-	-
Match - cash	353,354	369,067	3,396	3,396
Match - In kind	260,061	285,173	672	672
Program income	15,566	15,143	-	-
Interest income	-	3	-	-
Local revenue	-	2,219	-	-
<b>Total revenues</b>	<u>2,275,527</u>	<u>2,311,207</u>	<u>29,292</u>	<u>25,712</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	266,492	269,401	685	518
Employee benefits	108,270	108,358	191	141
Travel	12,479	11,130	-	-
Contracts	2,001	1,893	-	-
Other	30,343	36,947	8,000	4,673
<b>Total direct expenses</b>	419,585	427,729	8,876	5,332
<b>Shared expenses applied</b>	<u>52,326</u>	<u>53,656</u>	<u>124</u>	<u>88</u>
<b>Sub-total expenditures</b>	471,911	481,385	9,000	5,420
<b>Sub-recipients/sub-grantees</b>	<u>1,804,616</u>	<u>1,834,143</u>	<u>20,292</u>	<u>20,292</u>
<b>Total expenditures</b>	<u>2,276,527</u>	<u>2,315,528</u>	<u>29,292</u>	<u>25,712</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>(1,000)</u>	<u>(4,321)</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>1,000</u>	<u>4,321</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



NSIP 320-319		Homecare Pages 38-39		Adult Day Care Pages 40-41	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 66,234	\$ 66,234	\$ -	\$ -	\$ -	\$ -
-	-	1,404,623	1,346,365	123,978	110,306
-	-	-	8,279	-	-
-	-	13,088	63,199	-	-
-	-	-	-	-	-
-	-	-	8,378	1,655	1,655
-	-	-	10	-	16
-	-	47,912	45,003	-	-
<u>66,234</u>	<u>66,234</u>	<u>1,465,623</u>	<u>1,471,234</u>	<u>125,633</u>	<u>111,977</u>
-	-	347,581	350,001	16,203	20,052
-	-	136,786	137,365	6,903	8,512
-	-	22,982	22,981	29	29
-	-	-	-	-	-
-	-	28,960	30,804	-	-
-	-	536,309	541,151	23,135	28,593
-	-	68,958	69,442	3,164	4,007
-	-	605,267	610,593	26,299	32,600
<u>66,234</u>	<u>66,234</u>	<u>860,356</u>	<u>860,641</u>	<u>99,334</u>	<u>72,556</u>
<u>66,234</u>	<u>66,234</u>	<u>1,465,623</u>	<u>1,471,234</u>	<u>125,633</u>	<u>105,156</u>
-	-	-	-	-	6,821
-	-	-	-	-	(6,821)
<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, 2012 TO JUNE 30, 2013**

REFERENCE	Personal Care Attendant		SHIP	
	Pages 42-43		Pages 44-45	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ -	\$ -	\$ 64,725	\$ 64,725
State	529,275	529,275	-	-
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	9	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<b>529,275</b>	<b>529,284</b>	<b>64,725</b>	<b>64,725</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	16,962	16,962	1,978	1,978
Employee benefits	5,741	5,741	537	537
Travel	454	453	184	184
Contracts	517	517	-	-
Other	-	-	-	-
<b>Total direct expenses</b>	<b>23,674</b>	<b>23,673</b>	<b>2,699</b>	<b>2,699</b>
<b>Shared expenses applied</b>	<b>3,307</b>	<b>3,317</b>	<b>361</b>	<b>361</b>
<b>Sub-total expenditures</b>	<b>26,981</b>	<b>26,990</b>	<b>3,060</b>	<b>3,060</b>
<b>Sub-recipients/sub-grantees</b>	<b>502,294</b>	<b>502,294</b>	<b>61,665</b>	<b>61,665</b>
<b>Total expenditures</b>	<b>529,275</b>	<b>529,284</b>	<b>64,725</b>	<b>64,725</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

LTC Ombudsman 321-323		Improving Arthritis 317-556		Kentucky Caregiver Pages 46-47	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 3,000	\$ 1,500	\$ -	\$ -
62,127	62,001	-	-	170,815	170,815
-	-	-	-	-	-
458	458	-	-	-	-
4,172	4,172	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>66,757</u>	<u>66,631</u>	<u>3,000</u>	<u>1,500</u>	<u>170,815</u>	<u>170,815</u>
-	-	-	-	36,395	36,395
-	-	-	-	11,310	11,310
-	-	-	-	974	974
-	-	-	-	-	-
-	-	3,000	1,500	1,253	1,253
-	-	3,000	1,500	49,932	49,932
-	-	-	-	7,655	7,655
-	-	3,000	1,500	57,587	57,587
<u>66,757</u>	<u>66,631</u>	<u>-</u>	<u>-</u>	<u>113,228</u>	<u>113,228</u>
<u>66,757</u>	<u>66,631</u>	<u>3,000</u>	<u>1,500</u>	<u>170,815</u>	<u>170,815</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, 2012 TO JUNE 30, 2013**

REFERENCE	CDO		Chronic Disease	
	Pages 48-49		320-327	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 300,000	\$ 422,160	\$ 37,220	\$ 26,388
State	5,539,958	5,582,412	-	-
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	83,467	-	-
Interest income	-	30	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<b>5,839,958</b>	<b>6,088,069</b>	<b>37,220</b>	<b>26,388</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	720,537	676,375	7,740	5,008
Employee benefits	280,442	261,779	2,831	1,422
Travel	40,000	34,885	1,000	221
Contracts	-	-	-	-
Other	117,668	47,784	25,050	19,614
<b>Total direct expenses</b>	<b>1,158,647</b>	<b>1,020,823</b>	<b>36,621</b>	<b>26,265</b>
<b>Shared expenses applied</b>	<b>157,465</b>	<b>132,124</b>	<b>599</b>	<b>123</b>
<b>Sub-total expenditures</b>	<b>1,316,112</b>	<b>1,152,947</b>	<b>37,220</b>	<b>26,388</b>
<b>Sub-recipients/sub-grantees</b>	<b>4,523,846</b>	<b>4,523,690</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>5,839,958</b>	<b>5,676,637</b>	<b>37,220</b>	<b>26,388</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>411,432</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ 411,432</b>	<b>\$ -</b>	<b>\$ -</b>

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

Functional Assessment 317-557		Section Q MFP 326-316		Cabinet for Health and Family Services Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 3,000	\$ 3,000	\$ 4,658	\$ 4,658	\$ 1,674,039	\$ 1,773,260
-	-	-	-	8,302,921	8,273,319
-	-	-	-	4,423	12,785
-	-	-	-	370,296	436,120
-	-	-	-	264,905	290,017
-	-	-	-	17,221	108,643
-	-	-	-	-	68
-	-	-	-	47,912	47,222
<u>3,000</u>	<u>3,000</u>	<u>4,658</u>	<u>4,658</u>	<u>10,681,717</u>	<u>10,941,434</u>
1,897	1,897	3,056	3,056	1,419,526	1,381,643
742	742	1,080	1,080	554,833	536,987
-	-	39	39	78,141	70,896
-	-	-	-	2,518	2,410
-	-	-	-	214,274	142,575
<u>2,639</u>	<u>2,639</u>	<u>4,175</u>	<u>4,175</u>	<u>2,269,292</u>	<u>2,134,511</u>
<u>361</u>	<u>361</u>	<u>483</u>	<u>483</u>	<u>294,803</u>	<u>271,617</u>
3,000	3,000	4,658	4,658	2,564,095	2,406,128
-	-	-	-	8,118,622	8,121,374
<u>3,000</u>	<u>3,000</u>	<u>4,658</u>	<u>4,658</u>	<u>10,682,717</u>	<u>10,527,502</u>
-	-	-	-	(1,000)	413,932
-	-	-	-	1,000	(2,500)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,432</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY PROGRAM  
CABINET FOR HEALTH AND FAMILY SERVICES  
TITLE III  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	Administration		Supportive Services	
	320-300		320-301	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 87,482	\$ 87,482	\$ 441,046	\$ 434,019
State	61,157	61,157	280,441	280,441
Local funds applied	-	-	-	-
Match - cash	-	-	264,260	281,870
Match - In kind	-	-	232,708	254,871
Program income	-	-	3,186	3,225
Interest income	-	-	-	3
Local revenue	-	1,899	-	-
<b>Total revenues</b>	<b>148,639</b>	<b>150,538</b>	<b>1,221,641</b>	<b>1,254,429</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	82,093	85,005	117,951	117,951
Employee benefits	31,931	32,257	49,337	49,337
Travel	5,500	3,087	4,484	4,484
Contracts	-	-	-	-
Other	13,246	13,671	12,022	12,022
<b>Total direct expenses</b>	<b>132,770</b>	<b>134,020</b>	<b>183,794</b>	<b>183,794</b>
<b>Shared expenses applied</b>	<b>15,869</b>	<b>16,518</b>	<b>23,657</b>	<b>23,657</b>
<b>Sub-total expenditures</b>	<b>148,639</b>	<b>150,538</b>	<b>207,451</b>	<b>207,451</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>1,011,690</b>	<b>1,044,478</b>
<b>Total expenditures</b>	<b>148,639</b>	<b>150,538</b>	<b>1,219,141</b>	<b>1,251,929</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	<b>2,500</b>
<b>Transfers to (from): To #102-709</b>	<b>-</b>	<b>-</b>	<b>(2,500)</b>	<b>(2,500)</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Congregate Meals		Home Delivered Meals		Preventive Health	
320-302		320-303		320-304	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 164,650	\$ 164,650	\$ 300,456	\$ 300,456	\$ 22,548	\$ 22,548
30,269	30,269	66,148	66,148	14,130	14,130
-	68	-	15	-	-
20,898	19,017	65,853	65,837	2,343	2,343
4,000	4,000	-	-	3,871	3,871
12,307	11,845	73	73	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>232,124</u>	<u>229,849</u>	<u>432,530</u>	<u>432,529</u>	<u>42,892</u>	<u>42,892</u>
5,660	6,316	-	-	-	-
2,460	2,626	-	-	-	-
-	-	-	-	-	-
1,583	96	-	1,487	418	310
-	-	-	-	-	-
9,703	9,038	-	1,487	418	310
977	1,248	-	-	-	-
10,680	10,286	-	1,487	418	310
<u>221,444</u>	<u>219,563</u>	<u>432,530</u>	<u>431,042</u>	<u>42,474</u>	<u>42,582</u>
<u>232,124</u>	<u>229,849</u>	<u>432,530</u>	<u>432,529</u>	<u>42,892</u>	<u>42,892</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  
TITLE III  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	Caregiver Administration		Caregiver Support	
	320-308		320-309	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 13,269	\$ 13,269	\$ 140,527	\$ 140,527
State	-	-	20,000	20,000
Local funds applied	4,423	4,423	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	19,482	22,431
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	320
<b>Total revenues</b>	<u>17,692</u>	<u>17,692</u>	<u>180,009</u>	<u>183,278</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	10,757	10,757	50,031	49,372
Employee benefits	3,403	3,403	21,139	20,735
Travel	1,195	1,195	1,300	2,364
Contracts	-	-	-	-
Other	419	419	4,656	10,835
<b>Total direct expenses</b>	<u>15,774</u>	<u>15,774</u>	<u>77,126</u>	<u>83,306</u>
<b>Shared expenses applied</b>	<u>1,918</u>	<u>1,918</u>	<u>9,905</u>	<u>10,315</u>
<b>Sub-total expenditures</b>	<u>17,692</u>	<u>17,692</u>	<u>87,031</u>	<u>93,621</u>
<b>Sub-recipients/sub-grantees</b>	<u>-</u>	<u>-</u>	<u>96,478</u>	<u>96,478</u>
<b>Total expenditures</b>	<u>17,692</u>	<u>17,692</u>	<u>183,509</u>	<u>190,099</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>(3,500)</u>	<u>(6,821)</u>
<b>Transfers to (from):</b>				
From #322-331	<u>-</u>	<u>-</u>	<u>3,500</u>	<u>6,821</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



Title III	
Totals	
Budget	Actual
\$ 1,169,978	\$ 1,162,951
472,145	472,145
4,423	4,506
353,354	369,067
260,061	285,173
15,566	15,143
-	3
-	2,219
<u>2,275,527</u>	<u>2,311,207</u>
266,492	269,401
108,270	108,358
12,479	11,130
2,001	1,893
<u>30,343</u>	<u>36,947</u>
419,585	427,729
<u>52,326</u>	<u>53,656</u>
471,911	481,385
<u>1,804,616</u>	<u>1,834,143</u>
<u>2,276,527</u>	<u>2,315,528</u>
<u>(1,000)</u>	<u>(4,321)</u>
<u>1,000</u>	<u>4,321</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, 2012 TO JUNE 30, 2013**

Work Element	Elder Abuse		Ombudsman	
	320-305		320-306	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 5,953	\$ 5,953	\$ 10,271	\$ 10,271
State	-	-	-	-
Local funds applied	-	-	-	-
Match - cash	1,597	1,597	1,799	1,799
Match - In kind	-	-	672	672
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<b>7,550</b>	<b>7,550</b>	<b>12,742</b>	<b>12,742</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
<b>Total direct expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Shared expenses applied</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub-total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub-recipients/sub-grantees</b>	<b>7,550</b>	<b>7,550</b>	<b>12,742</b>	<b>12,742</b>
<b>Total expenditures</b>	<b>7,550</b>	<b>7,550</b>	<b>12,742</b>	<b>12,742</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Ombudsman - Education		Title VII	
320-307		Totals	
Budget	Actual	Budget	Actual
\$ 9,000	\$ 5,420	\$ 25,224	\$ 21,644
-	-	-	-
-	-	-	-
-	-	3,396	3,396
-	-	672	672
-	-	-	-
-	-	-	-
-	-	-	-
<u>9,000</u>	<u>5,420</u>	<u>29,292</u>	<u>25,712</u>
685	518	685	518
191	141	191	141
-	-	-	-
-	-	-	-
<u>8,000</u>	<u>4,673</u>	<u>8,000</u>	<u>4,673</u>
8,876	5,332	8,876	5,332
124	88	124	88
9,000	5,420	9,000	5,420
-	-	20,292	20,292
<u>9,000</u>	<u>5,420</u>	<u>29,292</u>	<u>25,712</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, 2012 TO JUNE 30, 2013**

Work Element	Administration		Home Delivered Meals	
	321-320		321-321	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ -	\$ -	\$ -	\$ -
State	114,441	114,441	116,442	116,442
Local funds applied	-	8,279	-	-
Match - cash	-	-	13,088	13,088
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<b>114,441</b>	<b>122,720</b>	<b>129,530</b>	<b>129,530</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	70,612	73,642	-	-
Employee benefits	24,709	25,420	-	-
Travel	5,000	7,029	-	-
Contracts	-	-	-	-
Other	1,093	2,938	-	-
<b>Total direct expenses</b>	<b>101,414</b>	<b>109,029</b>	<b>-</b>	<b>-</b>
<b>Shared expenses applied</b>	<b>13,027</b>	<b>13,691</b>	<b>-</b>	<b>-</b>
<b>Sub-total expenditures</b>	<b>114,441</b>	<b>122,720</b>	<b>-</b>	<b>-</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>129,530</b>	<b>129,530</b>
<b>Total expenditures</b>	<b>114,441</b>	<b>122,720</b>	<b>129,530</b>	<b>129,530</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Social Services		Homecare	
321-322		Totals	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -
1,173,740	1,115,482	1,404,623	1,346,365
-	-	-	8,279
-	50,111	13,088	63,199
-	-	-	-
-	8,378	-	8,378
-	10	-	10
47,912	45,003	47,912	45,003
<u>1,221,652</u>	<u>1,218,984</u>	<u>1,465,623</u>	<u>1,471,234</u>
276,969	276,359	347,581	350,001
112,077	111,945	136,786	137,365
17,982	15,952	22,982	22,981
-	-	-	-
<u>27,867</u>	<u>27,866</u>	<u>28,960</u>	<u>30,804</u>
434,895	432,122	536,309	541,151
<u>55,931</u>	<u>55,751</u>	<u>68,958</u>	<u>69,442</u>
490,826	487,873	605,267	610,593
<u>730,826</u>	<u>731,111</u>	<u>860,356</u>	<u>860,641</u>
<u>1,221,652</u>	<u>1,218,984</u>	<u>1,465,623</u>	<u>1,471,234</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, 2012 TO JUNE 30, 2013**

Work Element	Administration		Services	
	322-330		322-331	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ -	\$ -	\$ -	\$ -
State	10,538	10,538	113,440	99,768
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	1,655	1,655
Interest income	-	-	-	16
Local revenue	-	-	-	-
<b>Total revenues</b>	<b>10,538</b>	<b>10,538</b>	<b>115,095</b>	<b>101,439</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	6,687	6,687	9,516	13,365
Employee benefits	2,679	2,679	4,224	5,833
Travel	-	-	29	29
Contracts	-	-	-	-
Other	-	-	-	-
<b>Total direct expenses</b>	<b>9,366</b>	<b>9,366</b>	<b>13,769</b>	<b>19,227</b>
<b>Shared expenses applied</b>	<b>1,172</b>	<b>1,172</b>	<b>1,992</b>	<b>2,835</b>
<b>Sub-total expenditures</b>	<b>10,538</b>	<b>10,538</b>	<b>15,761</b>	<b>22,062</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>99,334</b>	<b>72,556</b>
<b>Total expenditures</b>	<b>10,538</b>	<b>10,538</b>	<b>115,095</b>	<b>94,618</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,821</b>
<b>Transfers to (from):</b>				
<b>To #320-309</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,821)</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Adult Day Care	
Totals	
Budget	Actual
\$ -	\$ -
123,978	110,306
-	-
-	-
-	-
1,655	1,655
-	16
-	-
<u>125,633</u>	<u>111,977</u>
16,203	20,052
6,903	8,512
29	29
-	-
-	-
<u>23,135</u>	<u>28,593</u>
<u>3,164</u>	<u>4,007</u>
26,299	32,600
<u>99,334</u>	<u>72,556</u>
<u>125,633</u>	<u>105,156</u>
<u>-</u>	<u>6,821</u>
<u>-</u>	<u>(6,821)</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, 2012 TO JUNE 30, 2013**

Work Element	Administration		Evaluation and Coordination	
	324-340		324-341	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ -	\$ -	\$ -	\$ -
State	26,464	26,464	100,562	100,562
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	9	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<u>26,464</u>	<u>26,473</u>	<u>100,562</u>	<u>100,562</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	16,962	16,962	-	-
Employee benefits	5,741	5,741	-	-
Travel	454	453	-	-
Contracts	-	-	517	517
Other	-	-	-	-
<b>Total direct expenses</b>	<u>23,157</u>	<u>23,156</u>	<u>517</u>	<u>517</u>
<b>Shared expenses applied</b>	<u>3,307</u>	<u>3,317</u>	<u>-</u>	<u>-</u>
<b>Sub-total expenditures</b>	<u>26,464</u>	<u>26,473</u>	<u>517</u>	<u>517</u>
<b>Sub-recipients/sub-grantees</b>	<u>-</u>	<u>-</u>	<u>100,045</u>	<u>100,045</u>
<b>Total expenditures</b>	<u>26,464</u>	<u>26,473</u>	<u>100,562</u>	<u>100,562</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



Subsidy 324-342		Personal Care Attendant Totals	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -
402,249	402,249	529,275	529,275
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	9
-	-	-	-
<u>402,249</u>	<u>402,249</u>	<u>529,275</u>	<u>529,284</u>
-	-	16,962	16,962
-	-	5,741	5,741
-	-	454	453
-	-	517	517
-	-	-	-
-	-	23,674	23,673
-	-	3,307	3,317
-	-	26,981	26,990
<u>402,249</u>	<u>402,249</u>	<u>502,294</u>	<u>502,294</u>
<u>402,249</u>	<u>402,249</u>	<u>529,275</u>	<u>529,284</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, 2012 TO JUNE 30, 2013**

Work Element	Administration		Regular	
	326-310		326-311	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 3,060	\$ 3,060	\$ 61,665	\$ 61,665
State	-	-	-	-
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<b>3,060</b>	<b>3,060</b>	<b>61,665</b>	<b>61,665</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	1,978	1,978	-	-
Employee benefits	537	537	-	-
Travel	184	184	-	-
Contracts	-	-	-	-
Other	-	-	-	-
<b>Total direct expenses</b>	<b>2,699</b>	<b>2,699</b>	<b>-</b>	<b>-</b>
<b>Shared expenses applied</b>	<b>361</b>	<b>361</b>	<b>-</b>	<b>-</b>
<b>Sub-total expenditures</b>	<b>3,060</b>	<b>3,060</b>	<b>-</b>	<b>-</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>61,665</b>	<b>61,665</b>
<b>Total expenditures</b>	<b>3,060</b>	<b>3,060</b>	<b>61,665</b>	<b>61,665</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

SHIP	
Totals	
Budget	Actual
\$ 64,725	\$ 64,725
-	-
-	-
-	-
-	-
-	-
-	-
<u>64,725</u>	<u>64,725</u>
1,978	1,978
537	537
184	184
-	-
-	-
<u>2,699</u>	<u>2,699</u>
361	361
<u>3,060</u>	<u>3,060</u>
<u>61,665</u>	<u>61,665</u>
<u>64,725</u>	<u>64,725</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, 2012 TO JUNE 30, 2013**

Work Element	Grandparents Administration		Grandparents Support	
	320-314		320-315	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ -	\$ -	\$ -	\$ -
State	14,519	14,519	156,296	156,296
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<u>14,519</u>	<u>14,519</u>	<u>156,296</u>	<u>156,296</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	9,686	9,686	26,709	26,709
Employee benefits	2,984	2,984	8,326	8,326
Travel	-	-	974	974
Contracts	-	-	-	-
Other	-	-	1,253	1,253
<b>Total direct expenses</b>	<u>12,670</u>	<u>12,670</u>	<u>37,262</u>	<u>37,262</u>
<b>Shared expenses applied</b>	<u>1,849</u>	<u>1,849</u>	<u>5,806</u>	<u>5,806</u>
<b>Sub-total expenditures</b>	<u>14,519</u>	<u>14,519</u>	<u>43,068</u>	<u>43,068</u>
<b>Sub-recipients/ sub-grantees</b>	<u>-</u>	<u>-</u>	<u>113,228</u>	<u>113,228</u>
<b>Total expenditures</b>	<u>14,519</u>	<u>14,519</u>	<u>156,296</u>	<u>156,296</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Kentucky Caregiver	
Totals	
Budget	Actual
\$ -	\$ -
170,815	170,815
-	-
-	-
-	-
-	-
-	-
<u>170,815</u>	<u>170,815</u>
36,395	36,395
11,310	11,310
974	974
-	-
<u>1,253</u>	<u>1,253</u>
49,932	49,932
<u>7,655</u>	<u>7,655</u>
57,587	57,587
<u>113,228</u>	<u>113,228</u>
<u>170,815</u>	<u>170,815</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, 2012 TO JUNE 30, 2013**

Work Element	CDO Financial Management		CDO Program	
	134-552		334-552	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 300,000	\$ 422,160	\$ -	\$ -
State	-	-	5,539,958	5,582,412
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	83,467
Interest income	-	-	-	30
Local revenue	-	-	-	-
<b>Total revenues</b>	<b>300,000</b>	<b>422,160</b>	<b>5,539,958</b>	<b>5,665,909</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	173,427	152,162	547,110	524,213
Employee benefits	62,389	54,602	218,053	207,177
Travel	-	-	40,000	34,885
Contracts	-	-	-	-
Other	13,206	6,134	104,462	41,650
<b>Total direct expenses</b>	<b>249,022</b>	<b>212,898</b>	<b>909,625</b>	<b>807,925</b>
<b>Shared expenses applied</b>	<b>50,978</b>	<b>29,063</b>	<b>106,487</b>	<b>103,061</b>
<b>Sub-total expenditures</b>	<b>300,000</b>	<b>241,961</b>	<b>1,016,112</b>	<b>910,986</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>4,523,846</b>	<b>4,523,690</b>
<b>Total expenditures</b>	<b>300,000</b>	<b>241,961</b>	<b>5,539,958</b>	<b>5,434,676</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>180,199</b>	<b>-</b>	<b>231,233</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ 180,199</b>	<b>\$ -</b>	<b>\$ 231,233</b>

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

CDO	
Totals	
Budget	Actual
\$ 300,000	\$ 422,160
5,539,958	5,582,412
-	-
-	-
-	-
-	83,467
-	30
-	-
<u>5,839,958</u>	<u>6,088,069</u>
720,537	676,375
280,442	261,779
40,000	34,885
-	-
<u>117,668</u>	<u>47,784</u>
1,158,647	1,020,823
<u>157,465</u>	<u>132,124</u>
1,316,112	1,152,947
<u>4,523,846</u>	<u>4,523,690</u>
<u>5,839,958</u>	<u>5,676,637</u>
-	<u>411,432</u>
-	-
<u>\$ -</u>	<u>\$ 411,432</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY PROGRAM  
WORKFORCE INVESTMENT ACT  
TOTAL BY GRANT  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	27012		20511	
	441-632		456-646	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 1,272	\$ 1,272	\$ 288,166	\$ 288,166
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<u>1,272</u>	<u>1,272</u>	<u>288,166</u>	<u>288,166</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	932	932	-	-
<b>Total direct expenses</b>	<u>932</u>	<u>932</u>	<u>-</u>	<u>-</u>
<b>Shared expenses applied</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Sub-total expenditures</b>	<u>932</u>	<u>932</u>	<u>-</u>	<u>-</u>
	-	-	-	-
<b>Sub-recipients/sub-grantees</b>	<u>340</u>	<u>340</u>	<u>288,166</u>	<u>288,166</u>
<b>Total expenditures</b>	<u>1,272</u>	<u>1,272</u>	<u>288,166</u>	<u>288,166</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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



27212 443-634		20512 466-646		25813 466-690	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 21,774	\$ 21,774	\$ 450,000	\$ 190,208	\$ 1,336,574	\$ 132,330
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,774</u>	<u>21,774</u>	<u>450,000</u>	<u>190,208</u>	<u>1,336,574</u>	<u>132,330</u>
10,038	10,038	-	-	-	-
4,252	4,252	-	-	-	-
136	136	-	-	-	-
-	-	-	-	-	-
12	13	-	-	-	-
<u>14,438</u>	<u>14,439</u>	-	-	-	-
<u>1,912</u>	<u>1,911</u>	-	-	-	-
16,350	16,350	-	-	-	-
<u>5,424</u>	<u>5,424</u>	<u>450,000</u>	<u>190,208</u>	<u>1,336,574</u>	<u>132,330</u>
<u>21,774</u>	<u>21,774</u>	<u>450,000</u>	<u>190,208</u>	<u>1,336,574</u>	<u>132,330</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, 2012 TO JUNE 30, 2013**

Work Element	27411		20510	
	494-679		496-646	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 9,523	\$ 9,523	\$ 49,634	\$ 49,634
State	-	-	-	-
Local funds applied	-	365	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<u>9,523</u>	<u>9,888</u>	<u>49,634</u>	<u>49,634</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Travel	3,882	3,882	-	-
Contracts	-	-	-	-
Other	5,641	6,006	-	-
<b>Total direct expenses</b>	<u>9,523</u>	<u>9,888</u>	<u>-</u>	<u>-</u>
<b>Shared expenses applied</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Sub-total expenditures</b>	<u>9,523</u>	<u>9,888</u>	<u>-</u>	<u>-</u>
<b>Sub-recipients/sub-grantees</b>	<u>-</u>	<u>-</u>	<u>49,634</u>	<u>49,634</u>
<b>Total expenditures</b>	<u>9,523</u>	<u>9,888</u>	<u>49,634</u>	<u>49,634</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

27312		27412		27112	
Pages 58-59		Pages 60-61		Pages 62-63	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 142,451	\$ 142,451	\$ 260,601	\$ 260,601	\$ 271,669	\$ 271,669
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>142,451</u>	<u>142,451</u>	<u>260,601</u>	<u>260,601</u>	<u>271,669</u>	<u>271,669</u>
27,375	27,375	44,679	44,679	58,044	58,044
10,071	10,071	17,429	17,429	21,361	21,361
372	372	5,351	5,351	837	837
-	-	-	-	-	-
<u>1,676</u>	<u>1,676</u>	<u>6,848</u>	<u>6,848</u>	<u>7,421</u>	<u>7,421</u>
39,494	39,494	74,307	74,307	87,663	87,663
<u>4,323</u>	<u>4,323</u>	<u>7,114</u>	<u>7,114</u>	<u>10,020</u>	<u>10,020</u>
43,817	43,817	81,421	81,421	97,683	97,683
<u>98,634</u>	<u>98,634</u>	<u>179,180</u>	<u>179,180</u>	<u>173,986</u>	<u>173,986</u>
<u>142,451</u>	<u>142,451</u>	<u>260,601</u>	<u>260,601</u>	<u>271,669</u>	<u>271,669</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, 2012 TO JUNE 30, 2013**

	27013		27313	
	Pages 64-65		Pages 66-67	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 57,455	\$ 54,804	\$ 614,925	\$ 496,217
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<u>57,455</u>	<u>54,804</u>	<u>614,925</u>	<u>496,217</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	20,016	20,016	164,414	164,414
Employee benefits	7,285	7,285	60,920	60,920
Travel	388	388	2,634	2,634
Contracts	-	-	168	168
Other	4,166	3,195	1,910	1,910
<b>Total direct expenses</b>	<u>31,855</u>	<u>30,884</u>	<u>230,046</u>	<u>230,046</u>
<b>Shared expenses applied</b>	<u>3,564</u>	<u>3,564</u>	<u>34,743</u>	<u>34,743</u>
<b>Sub-total expenditures</b>	35,419	34,448	264,789	264,789
<b>Sub-recipients/sub-grantees</b>	<u>22,036</u>	<u>20,356</u>	<u>350,136</u>	<u>231,428</u>
<b>Total expenditures</b>	<u>57,455</u>	<u>54,804</u>	<u>614,925</u>	<u>496,217</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

27213		27413		27113	
Pages 68-69		Pages 70-71		Pages 72-73	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 138,226	\$ 134,106	\$ 670,847	\$ 476,442	\$ 1,087,693	\$ 665,744
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>138,226</u>	<u>134,106</u>	<u>670,847</u>	<u>476,442</u>	<u>1,087,693</u>	<u>665,744</u>
31,073	31,073	143,882	143,882	135,013	135,013
11,305	11,305	58,644	58,644	51,485	51,485
623	623	12,376	12,376	1,584	1,584
-	-	-	-	768	768
<u>6,120</u>	<u>6,120</u>	<u>14,052</u>	<u>14,052</u>	<u>6,529</u>	<u>6,184</u>
49,121	49,121	228,954	228,954	195,379	195,034
<u>5,688</u>	<u>5,688</u>	<u>30,060</u>	<u>30,060</u>	<u>26,933</u>	<u>26,933</u>
54,809	54,809	259,014	259,014	222,312	221,967
<u>83,417</u>	<u>79,297</u>	<u>411,833</u>	<u>217,428</u>	<u>865,381</u>	<u>443,777</u>
<u>138,226</u>	<u>134,106</u>	<u>670,847</u>	<u>476,442</u>	<u>1,087,693</u>	<u>665,744</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, 2012 TO JUNE 30, 2013**

	27311		27111	
	Pages 74-75		Pages 76-77	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 100,783	\$ 100,700	\$ 55,521	\$ 55,521
State	-	-	-	-
Local funds applied	-	-	-	4
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<u>100,783</u>	<u>100,700</u>	<u>55,521</u>	<u>55,525</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	1,862	1,862	22,898	22,898
Employee benefits	630	630	6,721	6,721
Travel	-	-	2,103	2,103
Contracts	-	-	-	-
Other	14,218	14,175	3,797	3,797
<b>Total direct expenses</b>	<u>16,710</u>	<u>16,667</u>	<u>35,519</u>	<u>35,519</u>
<b>Shared expenses applied</b>	<u>354</u>	<u>354</u>	<u>3,861</u>	<u>3,861</u>
<b>Sub-total expenditures</b>	<u>17,064</u>	<u>17,021</u>	<u>39,380</u>	<u>39,380</u>
<b>Sub-recipients/sub-grantees</b>	<u>83,719</u>	<u>83,679</u>	<u>16,141</u>	<u>16,145</u>
<b>Total expenditures</b>	<u>100,783</u>	<u>100,700</u>	<u>55,521</u>	<u>55,525</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Workforce Investment Act	
Totals	
Budget	Actual
\$ 5,557,114	\$ 3,351,162
-	-
-	369
-	-
-	-
-	-
<u>5,557,114</u>	<u>3,351,531</u>
659,294	659,294
250,103	250,103
30,286	30,286
936	936
73,322	72,329
<u>1,013,941</u>	<u>1,012,948</u>
<u>128,572</u>	<u>128,571</u>
1,142,513	1,141,519
<u>4,414,601</u>	<u>2,210,012</u>
<u>5,557,114</u>	<u>3,351,531</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY PROGRAM  
WORKFORCE INVESTMENT ACT - 27312  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	Adult		Dislocated Worker	
	442-632		442-634	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 32,679	\$ 32,679	\$ 109,772	\$ 109,772
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
<b>Total revenues</b>	<b>32,679</b>	<b>32,679</b>	<b>109,772</b>	<b>109,772</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	12,247	12,247	15,128	15,128
Employee benefits	4,313	4,313	5,758	5,758
Travel	197	197	175	175
Contracts	-	-	-	-
Other	1,076	1,076	600	600
<b>Total direct expenses</b>	<b>17,833</b>	<b>17,833</b>	<b>21,661</b>	<b>21,661</b>
<b>Shared expenses applied</b>	<b>2,087</b>	<b>2,087</b>	<b>2,236</b>	<b>2,236</b>
<b>Sub-total expenditures</b>	<b>19,920</b>	<b>19,920</b>	<b>23,897</b>	<b>23,897</b>
<b>Sub-recipients/sub-grantees</b>	<b>12,759</b>	<b>12,759</b>	<b>85,875</b>	<b>85,875</b>
<b>Total expenditures</b>	<b>32,679</b>	<b>32,679</b>	<b>109,772</b>	<b>109,772</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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



Totals	
27312	
Budget	Actual
\$ 142,451	\$ 142,451
-	-
-	-
-	-
-	-
-	-
142,451	142,451
27,375	27,375
10,071	10,071
372	372
-	-
1,676	1,676
39,494	39,494
4,323	4,323
43,817	43,817
98,634	98,634
142,451	142,451
-	-
-	-
\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY PROGRAM  
WORKFORCE INVESTMENT ACT - 27412  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	In School Youth		Out of School Youth	
	444-633		444-636	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 56,736	\$ 56,736	\$ 203,865	\$ 203,865
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
<b>Total revenues</b>	<b>56,736</b>	<b>56,736</b>	<b>203,865</b>	<b>203,865</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	11,078	11,078	33,601	33,601
Employee benefits	4,078	4,078	13,351	13,351
Travel	1,207	1,207	4,144	4,144
Contracts	-	-	-	-
Other	1,543	1,543	5,305	5,305
<b>Total direct expenses</b>	<b>17,906</b>	<b>17,906</b>	<b>56,401</b>	<b>56,401</b>
<b>Shared expenses applied</b>	<b>1,320</b>	<b>1,320</b>	<b>5,794</b>	<b>5,794</b>
<b>Sub-total expenditures</b>	<b>19,226</b>	<b>19,226</b>	<b>62,195</b>	<b>62,195</b>
<b>Sub-recipients/sub-grantees</b>	<b>37,510</b>	<b>37,510</b>	<b>141,670</b>	<b>141,670</b>
<b>Total expenditures</b>	<b>56,736</b>	<b>56,736</b>	<b>203,865</b>	<b>203,865</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Totals	
27412	
Budget	Actual
\$ 260,601	\$ 260,601
-	-
-	-
-	-
-	-
-	-
<u>260,601</u>	<u>260,601</u>
44,679	44,679
17,429	17,429
5,351	5,351
-	-
<u>6,848</u>	<u>6,848</u>
74,307	74,307
<u>7,114</u>	<u>7,114</u>
81,421	81,421
<u>179,180</u>	<u>179,180</u>
<u>260,601</u>	<u>260,601</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 - 27112**  
**PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	Dislocated Worker		Case Management	
	445-634		445-639	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 206,669	\$ 206,669	\$ 65,000	\$ 65,000
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
<b>Total revenues</b>	<b>206,669</b>	<b>206,669</b>	<b>65,000</b>	<b>65,000</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	58,044	58,044	-	-
Employee benefits	21,361	21,361	-	-
Travel	837	837	-	-
Contracts	-	-	-	-
Other	7,421	7,421	-	-
<b>Total direct expenses</b>	<b>87,663</b>	<b>87,663</b>	<b>-</b>	<b>-</b>
<b>Shared expenses applied</b>	<b>10,020</b>	<b>10,020</b>	<b>-</b>	<b>-</b>
<b>Sub-total expenditures</b>	<b>97,683</b>	<b>97,683</b>	<b>-</b>	<b>-</b>
<b>Sub-recipients/sub-grantees</b>	<b>108,986</b>	<b>108,986</b>	<b>65,000</b>	<b>65,000</b>
<b>Total expenditures</b>	<b>206,669</b>	<b>206,669</b>	<b>65,000</b>	<b>65,000</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Totals	
27112	
Budget	Actual
\$ 271,669	\$ 271,669
-	-
-	-
-	-
-	-
-	-
<u>271,669</u>	<u>271,669</u>
58,044	58,044
21,361	21,361
837	837
-	-
<u>7,421</u>	<u>7,421</u>
87,663	87,663
<u>10,020</u>	<u>10,020</u>
97,683	97,683
<u>173,986</u>	<u>173,986</u>
<u>271,669</u>	<u>271,669</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 - 27013**  
**PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	Admin		Adult	
	451-630		451-632	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 5,340	\$ 5,340	\$ 48,064	\$ 46,384
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
<b>Total revenues</b>	<b>5,340</b>	<b>5,340</b>	<b>48,064</b>	<b>46,384</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	3,267	3,267	16,749	16,749
Employee benefits	1,046	1,046	6,239	6,239
Travel	286	286	102	102
Contracts	-	-	-	-
Other	115	115	-	-
<b>Total direct expenses</b>	<b>4,714</b>	<b>4,714</b>	<b>23,090</b>	<b>23,090</b>
<b>Shared expenses applied</b>	<b>626</b>	<b>626</b>	<b>2,938</b>	<b>2,938</b>
<b>Sub-total expenditures</b>	<b>5,340</b>	<b>5,340</b>	<b>26,028</b>	<b>26,028</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>22,036</b>	<b>20,356</b>
<b>Total expenditures</b>	<b>5,340</b>	<b>5,340</b>	<b>48,064</b>	<b>46,384</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Blind Job Posts		Totals	
451-679		27013	
Budget	Actual	Budget	Actual
\$ 4,051	\$ 3,080	\$ 57,455	\$ 54,804
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>4,051</u>	<u>3,080</u>	<u>57,455</u>	<u>54,804</u>
-	-	20,016	20,016
-	-	7,285	7,285
-	-	388	388
-	-	-	-
<u>4,051</u>	<u>3,080</u>	<u>4,166</u>	<u>3,195</u>
4,051	3,080	31,855	30,884
-	-	3,564	3,564
<u>4,051</u>	<u>3,080</u>	<u>35,419</u>	<u>34,448</u>
-	-	22,036	20,356
<u>4,051</u>	<u>3,080</u>	<u>57,455</u>	<u>54,804</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT**  
**STATEMENT OF OPERATIONS BY PROGRAM**  
**WORKFORCE INVESTMENT ACT - 27313**  
**PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	Admin		Adult	
	452-630		452-632	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 41,190	\$ 41,190	\$ 310,691	\$ 280,298
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
<b>Total revenues</b>	<b>41,190</b>	<b>41,190</b>	<b>310,691</b>	<b>280,298</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	25,492	25,492	95,982	95,982
Employee benefits	7,946	7,946	36,032	36,032
Travel	1,238	1,238	859	859
Contracts	168	168	-	-
Other	1,502	1,502	306	306
<b>Total direct expenses</b>	<b>36,346</b>	<b>36,346</b>	<b>133,179</b>	<b>133,179</b>
<b>Shared expenses applied</b>	<b>4,844</b>	<b>4,844</b>	<b>20,368</b>	<b>20,368</b>
<b>Sub-total expenditures</b>	<b>41,190</b>	<b>41,190</b>	<b>153,547</b>	<b>153,547</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>157,144</b>	<b>126,751</b>
<b>Total expenditures</b>	<b>41,190</b>	<b>41,190</b>	<b>310,691</b>	<b>280,298</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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



Dislocated Worker 452-634		Totals 27313	
Budget	Actual	Budget	Actual
\$ 263,044	\$ 174,729	\$ 614,925	\$ 496,217
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>263,044</u>	<u>174,729</u>	<u>614,925</u>	<u>496,217</u>
42,940	42,940	164,414	164,414
16,942	16,942	60,920	60,920
537	537	2,634	2,634
-	-	168	168
102	102	1,910	1,910
<u>60,521</u>	<u>60,521</u>	<u>230,046</u>	<u>230,046</u>
<u>9,531</u>	<u>9,531</u>	<u>34,743</u>	<u>34,743</u>
70,052	70,052	264,789	264,789
<u>192,992</u>	<u>104,677</u>	<u>350,136</u>	<u>231,428</u>
<u>263,044</u>	<u>174,729</u>	<u>614,925</u>	<u>496,217</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT**  
**STATEMENT OF OPERATIONS BY PROGRAM**  
**WORKFORCE INVESTMENT ACT - 27213**  
**PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	Administration		Dislocated Worker	
	453-630		453-634	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 13,823	\$ 13,823	\$ 124,403	\$ 120,283
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
<b>Total revenues</b>	<b>13,823</b>	<b>13,823</b>	<b>124,403</b>	<b>120,283</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	5,627	5,627	25,446	25,446
Employee benefits	1,734	1,734	9,571	9,571
Travel	355	355	268	268
Contracts	-	-	-	-
Other	5,391	5,391	729	729
<b>Total direct expenses</b>	<b>13,107</b>	<b>13,107</b>	<b>36,014</b>	<b>36,014</b>
<b>Shared expenses applied</b>	<b>716</b>	<b>716</b>	<b>4,972</b>	<b>4,972</b>
<b>Sub-total expenditures</b>	<b>13,823</b>	<b>13,823</b>	<b>40,986</b>	<b>40,986</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>83,417</b>	<b>79,297</b>
<b>Total expenditures</b>	<b>13,823</b>	<b>13,823</b>	<b>124,403</b>	<b>120,283</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Totals	
27213	
Budget	Actual
\$ 138,226	\$ 134,106
-	-
-	-
-	-
-	-
-	-
138,226	134,106
31,073	31,073
11,305	11,305
623	623
-	-
6,120	6,120
49,121	49,121
5,688	5,688
54,809	54,809
83,417	79,297
138,226	134,106
-	-
-	-
\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY PROGRAM  
WORKFORCE INVESTMENT ACT -27413  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	In School Youth		Out of School Youth	
	454-633		454-636	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 326,517	\$ 228,352	\$ 344,330	\$ 248,090
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
<b>Total revenues</b>	<b>326,517</b>	<b>228,352</b>	<b>344,330</b>	<b>248,090</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	79,401	79,401	64,481	64,481
Employee benefits	32,049	32,049	26,595	26,595
Travel	7,745	7,745	4,631	4,631
Contracts	-	-	-	-
Other	2,605	2,605	11,447	11,447
<b>Total direct expenses</b>	<b>121,800</b>	<b>121,800</b>	<b>107,154</b>	<b>107,154</b>
<b>Shared expenses applied</b>	<b>16,405</b>	<b>16,405</b>	<b>13,655</b>	<b>13,655</b>
<b>Sub-total expenditures</b>	<b>138,205</b>	<b>138,205</b>	<b>120,809</b>	<b>120,809</b>
<b>Sub-recipients/sub-grantees</b>	<b>188,312</b>	<b>90,147</b>	<b>223,521</b>	<b>127,281</b>
<b>Total expenditures</b>	<b>326,517</b>	<b>228,352</b>	<b>344,330</b>	<b>248,090</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Totals	
27413	
Budget	Actual
\$ 670,847	\$ 476,442
-	-
-	-
-	-
-	-
-	-
<u>670,847</u>	<u>476,442</u>
143,882	143,882
58,644	58,644
12,376	12,376
-	-
<u>14,052</u>	<u>14,052</u>
228,954	228,954
<u>30,060</u>	<u>30,060</u>
259,014	259,014
<u>411,833</u>	<u>217,428</u>
<u>670,847</u>	<u>476,442</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 - 27113  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	Administration		Dislocated Worker	
	455-630		455-634	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 22,122	\$ 21,778	\$ 780,261	\$ 614,762
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
<b>Total revenues</b>	<b>22,122</b>	<b>21,778</b>	<b>780,261</b>	<b>614,762</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	10,945	10,945	124,068	124,068
Employee benefits	3,363	3,363	48,122	48,122
Travel	270	270	1,314	1,314
Contracts	768	768	-	-
Other	4,355	4,011	2,174	2,173
<b>Total direct expenses</b>	<b>19,701</b>	<b>19,357</b>	<b>175,678</b>	<b>175,677</b>
<b>Shared expenses applied</b>	<b>2,421</b>	<b>2,421</b>	<b>24,512</b>	<b>24,512</b>
<b>Sub-total expenditures</b>	<b>22,122</b>	<b>21,778</b>	<b>200,190</b>	<b>200,189</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>580,071</b>	<b>414,573</b>
<b>Total expenditures</b>	<b>22,122</b>	<b>21,778</b>	<b>780,261</b>	<b>614,762</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

RRAA		Totals	
455-639		27113	
Budget	Actual	Budget	Actual
\$ 285,310	\$ 29,204	\$ 1,087,693	\$ 665,744
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>285,310</u>	<u>29,204</u>	<u>1,087,693</u>	<u>665,744</u>
-	-	135,013	135,013
-	-	51,485	51,485
-	-	1,584	1,584
-	-	768	768
-	-	<u>6,529</u>	<u>6,184</u>
-	-	195,379	195,034
-	-	<u>26,933</u>	<u>26,933</u>
-	-	222,312	221,967
<u>285,310</u>	<u>29,204</u>	<u>865,381</u>	<u>443,777</u>
<u>285,310</u>	<u>29,204</u>	<u>1,087,693</u>	<u>665,744</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, 2012 TO JUNE 30, 2013**

Work Element	NKIP Industry Partnership		Adult	
	492-624		492-632	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 81,633	\$ 81,550	\$ 19,150	\$ 19,150
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
<b>Total revenues</b>	<b>81,633</b>	<b>81,550</b>	<b>19,150</b>	<b>19,150</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	1,862	1,862	-	-
Employee benefits	630	630	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	14,218	14,175	-	-
<b>Total direct expenses</b>	<b>16,710</b>	<b>16,667</b>	<b>-</b>	<b>-</b>
<b>Shared expenses applied</b>	<b>354</b>	<b>354</b>	<b>-</b>	<b>-</b>
<b>Sub-total expenditures</b>	<b>17,064</b>	<b>17,021</b>	<b>-</b>	<b>-</b>
<b>Sub-recipients/sub-grantees</b>	<b>64,569</b>	<b>64,529</b>	<b>19,150</b>	<b>19,150</b>
<b>Total expenditures</b>	<b>81,633</b>	<b>81,550</b>	<b>19,150</b>	<b>19,150</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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



Totals	
27311	
Budget	Actual
\$ 100,783	\$ 100,700
-	-
-	-
-	-
-	-
-	-
<u>100,783</u>	<u>100,700</u>
1,862	1,862
630	630
-	-
-	-
<u>14,218</u>	<u>14,175</u>
16,710	16,667
354	354
<u>17,064</u>	<u>17,021</u>
<u>83,719</u>	<u>83,679</u>
<u>100,783</u>	<u>100,700</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, 2012 TO JUNE 30, 2013**

Work Element	Quick Start		Incentive	
	495-624		495-683	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 16,966	\$ 16,966	\$ 38,555	\$ 38,555
State	-	-	-	-
Local funds applied	-	4	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
<b>Total revenues</b>	<u>16,966</u>	<u>16,970</u>	<u>38,555</u>	<u>38,555</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	528	528	22,370	22,370
Employee benefits	179	179	6,542	6,542
Travel	-	-	2,103	2,103
Contracts	-	-	-	-
Other	-	-	3,797	3,797
<b>Total direct expenses</b>	<u>707</u>	<u>707</u>	<u>34,812</u>	<u>34,812</u>
<b>Shared expenses applied</b>	<u>118</u>	<u>118</u>	<u>3,743</u>	<u>3,743</u>
<b>Sub-total expenditures</b>	<u>825</u>	<u>825</u>	<u>38,555</u>	<u>38,555</u>
<b>Sub-recipients/sub-grantees</b>	<u>16,141</u>	<u>16,145</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>16,966</u>	<u>16,970</u>	<u>38,555</u>	<u>38,555</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Totals	
27111	
Budget	Actual
\$ 55,521	\$ 55,521
-	-
-	4
-	-
-	-
-	-
<u>55,521</u>	<u>55,525</u>
22,898	22,898
6,721	6,721
2,103	2,103
-	-
<u>3,797</u>	<u>3,797</u>
35,519	35,519
<u>3,861</u>	<u>3,861</u>
39,380	39,380
<u>16,141</u>	<u>16,145</u>
<u>55,521</u>	<u>55,525</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, 2012 TO JUNE 30, 2013**

Work Element	Commodities		Commodities	
	318-615		325-618	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 63,829	\$ 64,949	\$ 87,280	\$ 67,585
State	-	-	-	-
Federal commodities	-	-	685,149	685,149
Local funds applied	-	-	-	-
Interest income	-	-	-	65
Local revenue	-	-	-	-
<b>Total revenues</b>	<b>63,829</b>	<b>64,949</b>	<b>772,429</b>	<b>752,799</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	21,410	18,515	39,408	33,378
Employee benefits	8,787	7,328	12,060	11,352
Travel	500	759	300	1,173
Contracts	24,000	28,600	12,000	7,400
Other	4,930	6,548	16,349	7,997
<b>Total direct expenses</b>	<b>59,627</b>	<b>61,750</b>	<b>80,117</b>	<b>61,300</b>
<b>Shared expenses applied</b>	<b>4,202</b>	<b>3,199</b>	<b>7,163</b>	<b>6,350</b>
<b>Sub-total expenditures</b>	<b>63,829</b>	<b>64,949</b>	<b>87,280</b>	<b>67,650</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>685,149</b>	<b>685,149</b>
<b>Total expenditures</b>	<b>63,829</b>	<b>64,949</b>	<b>772,429</b>	<b>752,799</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Commodities	
Totals	
Budget	Actual
\$ 151,109	\$ 132,534
-	-
685,149	685,149
-	-
-	65
-	-
<u>836,258</u>	<u>817,748</u>
60,818	51,893
20,847	18,680
800	1,932
36,000	36,000
21,279	14,545
<u>139,744</u>	<u>123,050</u>
<u>11,365</u>	<u>9,549</u>
151,109	132,599
<u>685,149</u>	<u>685,149</u>
<u>836,258</u>	<u>817,748</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY PROGRAM  
SUPPORTIVE HOUSING  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	Rural Case Management Administration 329-690		Rural Case Management 329-691	
	Budget	Actual	Budget	Actual
	<b>REVENUES:</b>			
Federal	\$ 613	\$ 613	\$ 24,502	\$ 24,502
State	10,000	10,000	-	-
Local funds applied	-	-	-	-
Match - In kind	-	-	6,126	6,126
Local revenue	-	-	-	-
<b>Total revenues</b>	<b>10,613</b>	<b>10,613</b>	<b>30,628</b>	<b>30,628</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	6,849	6,849	-	-
Employee benefits	2,542	2,542	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
<b>Total direct expenses</b>	<b>9,391</b>	<b>9,391</b>	<b>-</b>	<b>-</b>
<b>Shared expenses applied</b>	<b>1,222</b>	<b>1,222</b>	<b>-</b>	<b>-</b>
<b>Sub-total expenditures</b>	<b>10,613</b>	<b>10,613</b>	<b>-</b>	<b>-</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>30,628</b>	<b>30,628</b>
<b>Total expenditures</b>	<b>10,613</b>	<b>10,613</b>	<b>30,628</b>	<b>30,628</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Planks I Administration		Planks I Program		Supportive Housing	
329-692		329-693		Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 10,690	\$ 10,690	\$ 391,156	\$ 391,156	\$ 426,961	\$ 426,961
10,000	10,000	-	-	20,000	20,000
-	-	-	1	-	1
-	-	66,025	66,025	72,151	72,151
-	-	-	-	-	-
<u>20,690</u>	<u>20,690</u>	<u>457,181</u>	<u>457,182</u>	<u>519,112</u>	<u>519,113</u>
13,051	13,051	-	-	19,900	19,900
4,798	4,798	-	-	7,340	7,340
461	461	-	-	461	461
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,310</u>	<u>18,310</u>	<u>-</u>	<u>-</u>	<u>27,701</u>	<u>27,701</u>
<u>2,380</u>	<u>2,380</u>	<u>-</u>	<u>-</u>	<u>3,602</u>	<u>3,602</u>
20,690	20,690	-	-	31,303	31,303
-	-	457,181	457,182	487,809	487,810
<u>20,690</u>	<u>20,690</u>	<u>457,181</u>	<u>457,182</u>	<u>519,112</u>	<u>519,113</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, 2012 TO JUNE 30, 2013**

Work Element	Revolving Loan Admin.		Revolving Loan	
	180-712		180-713	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ -	\$ -	\$ -	\$ 35,789
State	-	-	-	-
Local funds applied	-	2,915	-	-
Interest income	17,000	12,159	-	5,164
<b>Total revenues</b>	<b>17,000</b>	<b>15,074</b>	<b>-</b>	<b>40,953</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	9,803	8,666	-	-
Employee benefits	3,980	3,529	-	-
Travel	200	12	-	-
Contracts	-	564	-	-
Other	1,099	537	-	-
<b>Total direct expenses</b>	<b>15,082</b>	<b>13,308</b>	<b>-</b>	<b>-</b>
<b>Shared expenses applied</b>	<b>1,918</b>	<b>1,766</b>	<b>-</b>	<b>-</b>
<b>Sub-total expenditures</b>	<b>17,000</b>	<b>15,074</b>	<b>-</b>	<b>-</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,953</b>
<b>Total expenditures</b>	<b>17,000</b>	<b>15,074</b>	<b>-</b>	<b>40,953</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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Loan Program	
Totals	
Budget	Actual
\$ -	\$ 35,789
-	-
-	2,915
17,000	17,323
17,000	56,027
9,803	8,666
3,980	3,529
200	12
-	564
1,099	537
15,082	13,308
1,918	1,766
17,000	15,074
-	40,953
17,000	56,027
-	-
-	-
\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY PROGRAM  
JOINT FUNDING ADMINISTRATION  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	Economic Development		CDBG	
	150-120		150-125	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 69,500	\$ 69,500	\$ 22,000	\$ 22,000
State	16,275	16,276	22,000	22,000
Local funds applied	-	103	-	60
Interest income	-	-	-	-
<b>Total revenues</b>	<b>85,775</b>	<b>85,879</b>	<b>44,000</b>	<b>44,060</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	52,245	52,491	26,384	26,185
Employee benefits	20,026	20,416	11,005	10,352
Travel	2,000	2,043	600	658
Contracts	-	-	-	-
Other	660	1,378	403	1,363
<b>Total direct expenses</b>	<b>74,931</b>	<b>76,328</b>	<b>38,392</b>	<b>38,558</b>
<b>Shared expenses applied</b>	<b>10,844</b>	<b>9,551</b>	<b>5,608</b>	<b>5,502</b>
<b>Sub-total expenditures</b>	<b>85,775</b>	<b>85,879</b>	<b>44,000</b>	<b>44,060</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenditures</b>	<b>85,775</b>	<b>85,879</b>	<b>44,000</b>	<b>44,060</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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

Public Administration Services 150-140		Program Administration 150-150		Joint Funding Administration Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 500	\$ 500	\$ 92,000	\$ 92,000
128,775	128,776	2,000	2,000	169,050	169,052
-	65	-	-	-	228
-	-	-	-	-	-
128,775	128,841	2,500	2,500	261,050	261,280
79,856	77,781	643	1,396	159,128	157,853
29,556	28,251	313	508	60,900	59,527
2,500	3,517	-	-	5,100	6,218
-	-	-	-	-	-
454	4,759	1,247	215	2,764	7,715
112,366	114,308	2,203	2,119	227,892	231,313
16,409	14,533	297	381	33,158	29,967
128,775	128,841	2,500	2,500	261,050	261,280
-	-	-	-	-	-
128,775	128,841	2,500	2,500	261,050	261,280
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY PROGRAM  
OTHER FEDERAL CONTRACTS  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	Ky Works		PCW Exchange	
	112-674		116-406	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 951,958	\$ 829,817	\$ 10,700	\$ 10,700
State	-	-	-	-
Local funds applied	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<u>951,958</u>	<u>829,817</u>	<u>10,700</u>	<u>10,700</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	384,116	343,358	-	-
Employee benefits	134,441	141,994	-	-
Travel	39,000	24,109	-	-
Contracts	66,650	61,924	-	-
Other	45,119	42,990	-	-
<b>Total direct expenses</b>	<u>669,326</u>	<u>614,375</u>	<u>-</u>	<u>-</u>
<b>Shared expenses applied</b>	<u>66,551</u>	<u>68,111</u>	<u>-</u>	<u>-</u>
<b>Sub-total expenditures</b>	<u>735,877</u>	<u>682,486</u>	<u>-</u>	<u>-</u>
<b>Sub-recipients/sub-grantees</b>	<u>216,081</u>	<u>147,331</u>	<u>10,700</u>	<u>10,700</u>
<b>Total expenditures</b>	<u>951,958</u>	<u>829,817</u>	<u>10,700</u>	<u>10,700</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Brownsfield Assessment		Brownfield RLF		Home Tenant-Based Rental	
177-870		181-712		329-698	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 96,484	\$ 96,484	\$ 11,969	\$ 11,969	\$ 55,000	\$ 9,418
-	-	-	-	-	-
1,570	1,570	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>98,054</u>	<u>98,054</u>	<u>11,969</u>	<u>11,969</u>	<u>55,000</u>	<u>9,418</u>
695	695	5,472	5,472	689	250
295	295	2,214	2,214	206	93
1,355	1,355	2,953	2,953	-	-
-	-	-	-	-	-
<u>95,590</u>	<u>95,590</u>	<u>250</u>	<u>250</u>	<u>-</u>	<u>-</u>
97,935	97,935	10,889	10,889	895	343
119	119	1,080	1,080	105	48
98,054	98,054	11,969	11,969	1,000	391
-	-	-	-	54,000	9,027
<u>98,054</u>	<u>98,054</u>	<u>11,969</u>	<u>11,969</u>	<u>55,000</u>	<u>9,418</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, 2012 TO JUNE 30, 2013**

Work Element	Hope VI - HUD (CSS)		Other Federal Contracts	
	484-675		Totals	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ 108,392	\$ 50,494	\$ 1,234,503	\$ 1,008,882
State	-	-	-	-
Local funds applied	-	-	1,570	1,570
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<u>108,392</u>	<u>50,494</u>	<u>1,236,073</u>	<u>1,010,452</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	27,173	27,173	418,145	376,948
Employee benefits	11,983	11,983	149,139	156,579
Travel	1,703	1,703	45,011	30,120
Contracts	-	-	66,650	61,924
Other	3,843	3,843	144,802	142,673
<b>Total direct expenses</b>	<u>44,702</u>	<u>44,702</u>	<u>823,747</u>	<u>768,244</u>
<b>Shared expenses applied</b>	<u>5,607</u>	<u>5,607</u>	<u>73,462</u>	<u>74,965</u>
<b>Sub-total expenditures</b>	<u>50,309</u>	<u>50,309</u>	<u>897,209</u>	<u>843,209</u>
<b>Sub-recipients/sub-grantees</b>	<u>58,083</u>	<u>185</u>	<u>338,864</u>	<u>167,243</u>
<b>Total expenditures</b>	<u>108,392</u>	<u>50,494</u>	<u>1,236,073</u>	<u>1,010,452</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY PROGRAM  
OTHER STATE CONTRACTS  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	KADD Broadband		Drug Court Services	
	153-153		160-160	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ -	\$ -	\$ -	\$ -
State	10,000	10,000	122,000	122,000
Local funds applied	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<u>10,000</u>	<u>10,000</u>	<u>122,000</u>	<u>122,000</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	5,254	5,174	-	-
Employee benefits	1,856	1,827	-	-
Travel	700	73	-	-
Contracts	-	-	-	-
Other	952	804	-	-
<b>Total direct expenses</b>	<u>8,762</u>	<u>7,878</u>	<u>-</u>	<u>-</u>
<b>Shared expenses applied</b>	<u>1,238</u>	<u>1,160</u>	<u>-</u>	<u>-</u>
<b>Sub-total expenditures</b>	<u>10,000</u>	<u>9,038</u>	<u>-</u>	<u>-</u>
<b>Sub-recipients/sub-grantees</b>	<u>-</u>	<u>-</u>	<u>122,000</u>	<u>122,000</u>
<b>Total expenditures</b>	<u>10,000</u>	<u>9,038</u>	<u>122,000</u>	<u>122,000</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>-</u>	<u>962</u>	<u>-</u>	<u>-</u>
<b>Transfers to (from)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess revenues (expenditures)</b>	<u>\$ -</u>	<u>\$ 962</u>	<u>\$ -</u>	<u>\$ -</u>

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Transportation Planning 170-660		TBI 334-554		KIA 172-952	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
78,254	78,254	13,000	7,932	90,000	90,000
8,695	9,098	-	-	-	1,597
-	-	-	-	-	-
-	-	-	-	-	-
<u>86,949</u>	<u>87,352</u>	<u>13,000</u>	<u>7,932</u>	<u>90,000</u>	<u>91,597</u>
51,664	53,451	6,070	4,598	53,600	52,236
21,331	20,349	3,257	1,629	20,295	20,124
1,000	2,088	300	258	800	2,007
-	-	-	-	-	-
<u>2,795</u>	<u>1,129</u>	<u>849</u>	<u>589</u>	<u>5,021</u>	<u>7,206</u>
76,790	77,017	10,476	7,074	79,716	81,573
10,159	10,335	2,524	858	10,284	10,024
<u>86,949</u>	<u>87,352</u>	<u>13,000</u>	<u>7,932</u>	<u>90,000</u>	<u>91,597</u>
-	-	-	-	-	-
<u>86,949</u>	<u>87,352</u>	<u>13,000</u>	<u>7,932</u>	<u>90,000</u>	<u>91,597</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, 2012 TO JUNE 30, 2013**

Work Element	Homeland Security		Other State Contracts	
	173-947		Totals	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Federal	\$ -	\$ -	\$ -	\$ -
State	40,000	14,572	353,254	322,758
Local funds applied	-	-	8,695	10,695
Interest income	-	-	-	-
Local revenue	-	-	-	-
<b>Total revenues</b>	<b>40,000</b>	<b>14,572</b>	<b>361,949</b>	<b>333,453</b>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	6,206	5,211	122,794	120,670
Employee benefits	2,430	2,103	49,169	46,032
Travel	1,000	29	3,800	4,455
Contracts	-	-	-	-
Other	29,162	6,147	38,779	15,875
<b>Total direct expenses</b>	<b>38,798</b>	<b>13,490</b>	<b>214,542</b>	<b>187,032</b>
<b>Shared expenses applied</b>	<b>1,202</b>	<b>1,082</b>	<b>25,407</b>	<b>23,459</b>
<b>Sub-total expenditures</b>	<b>40,000</b>	<b>14,572</b>	<b>239,949</b>	<b>210,491</b>
<b>Sub-recipients/sub-grantees</b>	<b>-</b>	<b>-</b>	<b>122,000</b>	<b>122,000</b>
<b>Total expenditures</b>	<b>40,000</b>	<b>14,572</b>	<b>361,949</b>	<b>332,491</b>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>962</b>
<b>Transfers to (from)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess revenues (expenditures)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 962</b>

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF OPERATIONS BY PROGRAM  
OTHER LOCAL CONTRACTS  
BY DIVISION  
PERIOD OF PERFORMANCE: JULY 1, 2012 TO JUNE 30, 2013**

Work Element	General Administration		Human Services Division	
	Various		Various	
	Budget	Actual	Budget	Actual
<b>REVENUES:</b>				
Local funds applied	\$ -	\$ (53,631)	\$ -	\$ -
Interest income	-	871	-	1
Local revenue	12,000	39,396	330,659	114,616
Local contributions	160,000	155,135	-	-
<b>Total revenues</b>	<u>172,000</u>	<u>141,771</u>	<u>330,659</u>	<u>114,617</u>
<b>EXPENDITURES:</b>				
<b>Direct Expenses:</b>				
Salaries	-	-	40,402	20,865
Employee benefits	-	-	17,810	8,096
Travel	-	16,719	9,171	1,288
Contracts	-	-	-	-
Other	-	64,722	52,744	42,837
<b>Total direct expenses</b>	-	81,441	120,127	73,086
<b>Shared expenses applied</b>	-	-	9,032	4,170
<b>Sub-total expenditures</b>	-	81,441	129,159	77,256
<b>Sub-recipients/sub-grantees</b>	-	-	204,000	39,861
<b>Total expenditures</b>	-	81,441	333,159	117,117
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>172,000</u>	<u>60,330</u>	<u>(2,500)</u>	<u>(2,500)</u>
<b>Transfers to (from): From #320-301</b>	-	-	2,500	2,500
<b>Excess revenues (expenditures)</b>	<u>\$ 172,000</u>	<u>\$ 60,330</u>	<u>\$ -</u>	<u>\$ -</u>

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Development Services Division		Public Administration Services Division		Case Management Division	
Various		Various		Various	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 4,800	\$ 9,351	\$ -	\$ 23,089	\$ -	\$ (7,372)
-	8	-	-	-	-
196,686	205,196	54,288	92,205	218,768	157,224
-	-	-	-	-	-
<u>201,486</u>	<u>214,555</u>	<u>54,288</u>	<u>115,294</u>	<u>218,768</u>	<u>149,852</u>
107,498	126,681	29,278	38,176	104,199	90,986
43,431	47,802	10,253	12,785	41,175	37,099
11,082	5,791	5,000	3,380	16,032	3,868
4,725	4,725	-	1,747	-	-
12,234	3,803	4,825	53,043	37,129	418
178,970	188,802	49,356	109,131	198,535	132,371
22,516	25,753	4,932	6,163	20,233	17,481
201,486	214,555	54,288	115,294	218,768	149,852
-	-	-	-	-	-
<u>201,486</u>	<u>214,555</u>	<u>54,288</u>	<u>115,294</u>	<u>218,768</u>	<u>149,852</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, 2012 TO JUNE 30, 2013**

<b>Work Element</b>	Other Local Contracts	
	Totals	
	Budget	Actual
<b>REVENUES:</b>		
Local funds applied	\$ 4,800	\$ (28,563)
Interest income	-	880
Local revenue	812,401	608,637
Local contributions	160,000	155,135
<b>Total revenues</b>	<u>977,201</u>	<u>736,089</u>
<b>EXPENDITURES:</b>		
<b>Direct Expenses:</b>		
Salaries	281,377	276,708
Employee benefits	112,669	105,782
Travel	41,285	31,046
Contracts	4,725	6,472
Other	106,932	164,823
<b>Total direct expenses</b>	<u>546,988</u>	<u>584,831</u>
<b>Shared expenses applied</b>	<u>56,713</u>	<u>53,567</u>
<b>Sub-total expenditures</b>	603,701	638,398
<b>Sub-recipients/sub-grantees</b>	<u>204,000</u>	<u>39,861</u>
<b>Total expenditures</b>	<u>807,701</u>	<u>678,259</u>
<b>Excess revenues (expenditures) before transfers to (from)</b>	<u>169,500</u>	<u>57,830</u>
<b>Transfers to (from): From #320-301</b>	<u>2,500</u>	<u>2,500</u>
<b>Excess revenues (expenditures)</b>	<u>\$ 172,000</u>	<u>\$ 60,330</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
STATEMENT OF ALLOCATED COSTS CLAIMED  
YEAR ENDED JUNE 30, 2013**

	<u>Costs Claimed</u>
<b>Shared Expenses:</b>	
Salaries	\$ 72,892
Employee benefits	18,981
Travel	12,449
Contractual	74,984
Other	
Interest	65,098
Miscellaneous	68,773
Depreciation	48,494
Insurance	102,155
Postage	10,618
Telephone	7,742
Consumable supplies	31,911
Utilities	26,086
Computer software and hardware	20,893
Janitor service	9,743
Organizational dues	1,866
Registration	1,281
Marketing and advertising	713
Equipment service	22,384
Total other	417,757
<b>Total shared expenses</b>	<b>597,063</b>
Shared expenses allocated (1)	(597,063)
<b>Shared expenses over applied</b>	<b>\$ -</b>

**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 14% of total direct salaries and employee fringe benefits.

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
NOTES TO SUPPLEMENTARY INFORMATION  
JUNE 30, 2013**

**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, Saint Charles Care Center, Campbell County Fiscal Court, RC Durr YMCA, PurFood LLC (MOMS Meals), Aging-In-Place, and Interim Healthcare, the sub-grantees providing match information are to be 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  
Saint Charles Care Center  
Interim Healthcare  
PurFood LLC (MOMS Meals)  
Aging-in-Place  
Wesley Community Service

**Supportive Housing**

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

**Tenant Based Rental Assistance**

Brighton Center



**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**

The Board of Directors  
Northern Kentucky Area Development District  
Florence, Kentucky

We have audited, in accordance with the 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, 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, 2013, and the related notes to the financial statements, which collectively comprise the Northern Kentucky Area Development District's basic financial statements and have issued our report thereon dated January 24, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Northern Kentucky Area Development District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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.

*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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charges with governance.

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

**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 January 24, 2014.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*VonLehman & Company Inc.*

Fort Mitchell, Kentucky  
January 24, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

The Board of Directors  
Northern Kentucky Area Development District  
Florence, Kentucky

**Report on Compliance for Each Major Federal Program**

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, 2013. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Northern Kentucky Area Development District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Northern Kentucky Area Development District's compliance.

**Opinion on Each Major Federal Program**

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, 2013.

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are disclosed in the accompanying schedule of findings and questioned costs as items 2013-1 and 2013-2. Our opinion on each major federal program is not modified with respect to these matters.

Northern Kentucky Area Development District's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Northern Kentucky Area Development District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

**Report on Internal Control over Compliance**

The management of Northern Kentucky Area Development District is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit of compliance, we considered the 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. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

We noted certain matters that we reported to management of the Northern Kentucky Area Development District, in a separate letter dated January 24, 2014.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*VonLehman & Company Inc.*

Fort Mitchell, Kentucky  
January 24, 2014

**REQUIRED SUPPLEMENTARY INFORMATION**

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number
<b>U. S. Department of Agriculture</b>		
Commodity Supplemental Food Program	10.565	PON2-03512000025531
<b>The Emergency Food Assistance Cluster:</b>		
CASH:		
The Emergency Food Assistance Program (Administration)	10.568	PON2-03512000025411
NONCASH:		
The Emergency Food Assistance Program (Food Commodities)	10.569	PON2-03512000025411
<b>Sub-total for the Emergency Food Assistance Cluster</b>		
<b>Sub-total for U.S. Department of Agriculture</b>		
<b>U. S. Department of Commerce</b>		
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
<b>Sub-total for U.S. Department of Commerce</b>		
<b>U. S. Department of Housing and Urban Development</b>		
Passed through Kentucky Housing Corporation:		
Supportive Housing (Planks I)	14.235	SH10-0143-01
Supportive Housing (Rural Case Management)	14.235	SH10-0143-02
<b>Sub-total</b>		
Passed through Governors Office of Local Development:		
Community Development Block Grant	14.228	PON2-1100003178
Home Tenant-Based Rental Assistance	14.239	TB12-0143-01
Hope VI - HUD (CSS)	14.866	KY-36-URD-002-I109
<b>Sub-total for U.S. Department of Housing and Urban Development</b>		
<b>U. S. Department of Labor</b>		
Passed through Kentucky Cabinet for Workforce Development		
<b>Workforce Investment Act Cluster:</b>		
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	27013
Workforce Investment Act - Adult Program	17.258	27313
Workforce Investment Act - Youth Activities	17.259	27411
Workforce Investment Act - Youth Activities	17.259	27413
Workforce Investment Act - Youth Activities	17.259	27412
Workforce Investment Act - Dislocated Workers	17.278	27112
Workforce Investment Act - Dislocated Workers	17.278	27111

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

Program Award Amounts	Federal Expenditures
\$ 75,000	\$ 64,949
100,000	67,585
	<u>685,149</u>
	<u>752,734</u>
	<u>817,683</u>
70,000	70,000
500,000	<u>504,306</u>
	<u>574,306</u>
444,904	401,846
25,115	<u>25,115</u>
	<u>426,961</u>
22,000	22,000
55,000	9,418
108,392	<u>50,494</u>
	508,873
45,230	1,272
425,561	100,700
630,064	142,451
57,455	54,804
614,925	496,217
481,878	9,523
670,847	476,442
571,769	260,601
760,528	271,669
777,289	55,521

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number
Passed through Kentucky Cabinet for Workforce Development (continued)		
<b>Workforce Investment Act Cluster (continued):</b>		
Workforce Investment Act - Dislocated Workers	17.278	27212
Workforce Investment Act - Dislocated Workers	17.278	27213
Workforce Investment Act - Dislocated Workers	17.278	27113
<b>Sub-total for Workforce Investment Act Cluster</b>		
Workforce Investment Act - National Emergency Grant	17.277	25813
Trade Adjustment Assistance	17.245	20511
Trade Adjustment Assistance	17.245	20512
Trade Adjustment Assistance	17.245	20510
<b>Sub-total for U.S. Department of Labor</b>		
<b>U. S. Environmental Protection Agency</b>		
Brownfields Assessment and Cleanup Cooperative Agreements - ARRA	66.818	BF95461810-0
Brownfields RLF Program	66.818	95498512
<b>Sub-total for U.S. Environmental Protection Agency</b>		
<b>U. S. Department of Health and Human Services</b>		
Passed through Kentucky Cabinet for Health and Family Services:		
<b>Aging Cluster:</b>		
Title III, Part B Support Services	93.044	PON2-725 1200001050 3
Title III, Part B Support Services (Administration)	93.044	PON2-725 1200001050 3
Title III, Part C Nutrition Services	93.045	PON2-725 1200001050 3
Title III, Part C Nutrition Services	93.045	PON2-725 1200001050 3
Nutrition Services Incentive Program, NSIP	93.053	PON2-725 1200001050 3
<b>Sub-total for Aging Cluster</b>		
Title VII, Elder Abuse Prevention	93.041	PON2-725 1200001050 3
Title VII, Ombudsman	93.042	PON2-725 1200001050 3
Title VII, Ombudsman Education	93.042	PON2-725 1200001050 3
Title III, Part E Family Caregiver Support (Administration)	93.052	PON2-725 1200001050 3
Title III, Part E Family Caregiver Support	93.052	PON2-725 1200001050 3
Title III, Part D Preventive Health	93.043	PON2-725 1200001050 3
Centers for Medicare & Medicaid Services, CMS - (SHIP)	93.779	PON2-725 1200001050 3
Title IV & Title II Discretionary Projects - ADRC	93.048	PON2-725 1200001050 3
Improving Arthritis Outcomes	93.945	PON2-725 1200001050 3
Functional Assessment Service Terms	93.069	PON2-725 1200001050 3
Chronic Disease Self Management Grant - ARRA	93.725	PON2-725 1200001050 3
Chronic Disease Self Management Education	93.725	PON2-725 1200001050 3
Section Q Money Follows Person	93.791	PON2-725 1200001050 3
Temporary Assistance for Needy Families - KY Works	93.558	PON2-7361000001484-1
<b>Sub-total for U.S. Department of Health and Human Services</b>		
<b>Corporation for National and Community Services</b>		
Social Innovation Fund	94.019	
<b>Total Federal Expenditures</b>		
<b>Total Federal Expenditures - Cash</b>		
<b>Total Federal Expenditures - Non-cash</b>		

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



Program Award Amounts	Federal Expenditures
\$ 180,243	\$ 21,774
138,226	134,106
1,087,693	665,744
	<hr/> 2,690,824
1,336,574	132,330
288,166	288,166
450,000	190,208
657,180	49,634
	<hr/> 3,351,162
200,000	96,484
850,000	11,969
	<hr/> 108,453
441,046	434,019
87,482	87,482
300,456	300,456
164,650	164,650
66,234	66,234
	<hr/> 1,052,841
5,953	5,953
10,271	10,271
9,000	5,420
13,269	13,269
140,527	140,527
22,548	22,548
64,725	64,725
7,000	-
3,000	1,500
3,000	3,000
25,150	24,421
12,799	1,967
11,500	4,658
951,958	829,817
	<hr/> 2,180,917
11,000	10,700
	<hr/> <hr/> \$ 7,552,094
	<hr/> <hr/> \$ 6,866,945
	<hr/> <hr/> \$ 685,149

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013**

**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 position 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	\$ 685,149 (F)
Nutrition Services Incentive Program, NSIP	93.053	66,234 (F)
Supportive Housing	14.235	415,659 (F/S)
Workforce Investment Act	17.245, 17.258, 17.259, 17.277, 17.278	2,210,012 (F/S)
Title VII, Elder Abuse Prevention	93.041	5,953 (F)
Title VII, Ombudsman	93.042	10,271 (F)
Title III, Part B Support Services	93.044	504,512 (F/S)
Title III, Part C Nutrition Services	93.045	549,833 (F/S)
Title III, Part E Caregiver Support	93.052	74,047 (F/S)
Title III, Part D Preventive Health	93.043	36,368 (F/S)
Home Tenant-Based Rental Assistance	14.239	9,027 (F)
Hope VI – HUD (CSS)	14.866	185 (F)
Centers for Medicare and Medicaid Services, CMS - SHIP	93.779	61,665 (F)
Social Innovation Fund, PCW Exchange	94.019	10,700 (F)
Temporary Assistance for Needy Families – KY Works	93.558	<u>147,331 (F)</u>
<b>Total</b>		<b><u>\$4,786,946</u></b>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2013**

**Note 4 - Revolving Loan Fund Calculation**

Balance of loans outstanding	\$372,799
Plus: Cash and investment balance	119,348
Plus: Administrative expenses	12,159
Less: Loans written off during the fiscal year	<u>-</u>
<b>Subtotal</b>	<b>504,306</b>
Multiplied by federal share of initial capitalization	<u>100%</u>
<b>Total</b>	<b><u>\$504,306</u></b>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

**SECTION I – SUMMARY OF AUDITORS' RESULTS**

<b>FINANCIAL STATEMENTS</b>	
Type of Financial Statement Opinion	Unmodified
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
<b>FEDERAL AWARDS</b>	
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	Unmodified
Are there any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510?	Yes
Major Programs (list):	Supportive Housing [CFDA 14.235], Trade Adjustment Assistance [CFDA 17.245], Brownfields Assessment [CFDA 66.818], Temporary Assistance for Needy Families [CFDA 93.558]
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.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013  
(Continued)**

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Compliance and Other Matters**

**Item 2013-1**

Supportive Housing – CFDA 14.235

*Criteria:* When entities are funded on a reimbursement basis, program costs must be paid for by the entity before reimbursement is requested.

*Condition:* During the cash management testing of the Supportive Housing program, there were four instances noted where cash was disbursed after the drawdown request was made and the money was received.

*Effect:* The cash management procedures for the items noted were not met for the Supportive Housing program that is on the reimbursement basis.

*Recommendation:* The Northern Kentucky Area Development District should put policies and procedures in place to ensure that cash management requirements are met in the future.

*Managements' Response:* During the fiscal year, the District received direction from the funder to alter the processes for reporting expenditures. Processes were initiated by all subcontractors and additional methodologies were implemented in accordance with the requests of the funder. During this period of time, ongoing negotiations occurred with the funder regarding acceptable reporting processes for all parties involved. Due to these changes, and further negotiations with the funder on solidifying an acceptable reporting process, the initial invoice had to be revised to reflect the approved expenditure of the funder. This additional layer of approval led to delays, and subsequently the resulting occurrences in three of the four findings.

The fourth finding was an issue of oversight when the invoices submitted were inadvertently placed in a pile of processed invoices, thus causing an error. This error was caught and the sub-contractor was notified as soon as the error was discovered.

**Item 2013-2**

Brownfields Assessment – CFDA 66.818

*Criteria:* When entities are funded on the advance method, recipients must follow procedures to minimize the time elapsing between the transfer of funds and the disbursement.

*Condition:* During the cash management testing of the Brownfields Assessment program, there was one instance noted where cash was disbursed approximately nineteen days after the drawdown request was made and the money was received.

*Effect:* The cash management procedures for the item noted was not met for the Brownfield Assessment program that is on the advance method.

*Recommendation:* The Northern Kentucky Area Development District should put policies and procedures in place to ensure that cash management requirements are met in the future.

*Managements' Response:* On February 1, 2013, NKADD staff initiated a drawdown of \$14,151.26 for the Brownfields Assessment program. This was not disbursed to the vendor until February 20, 2013. It is our general practice to pay invoices on the check run following their submission and processing, however, the timing of this transaction did not conform to the "3 day rule." In the future, staff will be mindful of check runs and time draw downs accordingly.

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

**PRIOR YEAR – FINANCIAL STATEMENT FINDINGS**

None

**PRIOR YEAR – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None