

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2014

WITH

Independent Auditors' Reports

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2014

WITH

Independent Auditors' Reports

Table of Contents

	<u>Pages</u>
INDEPENDENT AUDITORS' REPORT	
REQUIRED SUPPLEMENTARY INFORMATION:	
Management's Discussion and Analysis	1 – 4
BASIC FINANCIAL STATEMENTS:	
<i>Government-Wide Financial Statements</i>	
Statement of Net Position	6
Statement of Activities	7
<i>Fund Financial Statements</i>	
Balance Sheet	8
Reconciliation of Total Governmental Fund Balance to Net Position	9
Statement of Revenues, Expenditures and Changes in Fund Balances	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Fund to the Statement of Activities	11
Notes to Financial Statements	12 – 19
REQUIRED SUPPLEMENTARY INFORMATION:	
Budgetary Comparison Schedule	20
Notes to Budgetary Comparison Schedule	21

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2014

WITH

Independent Auditors' Reports

**Table of Contents
(Continued)**

OTHER SUPPLEMENTARY INFORMATION:

Independent Auditors' Report on Supplementary Information	22
Statement of Operations by Grant – General and Special Revenue Fund Types	23 – 24
Statement of Operations by Program:	
Cabinet for Health and Family Services	25 – 50
Workforce Investment Act	51 – 74
Commodities	75 – 76
Supportive Housing	77 – 78
Loan Program	79 – 80
Joint Funding Administration	81 – 82
Other Federal Contracts	83 – 85
Other State Contracts	87 – 90
Other Local Contracts	91 – 93
Statement of Allocated Costs Claimed	94
Notes to Supplementary Information	95
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 <i>Government Auditing Standards</i>	96 – 97
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133	98 – 99
Schedule of Expenditures of Federal Awards	101 – 104
Notes to the Schedule of Expenditures of Federal Awards	105 – 106
Schedule of Findings and Questioned Costs	107 – 108
Schedule of Status of Prior Year Findings and Questioned Costs	109 – 110

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, 2014, and the related notes to the financial statements, which collectively comprise the Northern Kentucky Area Development 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, 2014, 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 20 through 21, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2015, on our consideration of the Northern Kentucky Area Development District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northern Kentucky Area Development District's internal control over financial reporting and compliance.

VonLehman & Company Inc.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

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, 2014. 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 \$3,014,666. The beginning net position was \$2,721,189. The unrestricted fund balance as of June 30, 2014 was \$2,615,553 compared to \$2,229,389 at the end of FY 2013.

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

	<u>FY '14</u>	<u>FY '13</u>
Assets		
Current Assets	\$5,669,711	\$4,349,652
Non-Current Assets	<u>1,736,011</u>	<u>1,760,022</u>
Total	<u>\$7,405,722</u>	<u>\$6,109,674</u>
Liabilities		
Current Liabilities	\$2,081,067	\$2,110,009
Non-Current Liabilities	<u>2,295,000</u>	<u>1,278,476</u>
Total	4,376,067	3,388,485
Deferred inflows of resources	<u>14,989</u>	<u>-</u>
Total	<u>\$4,391,056</u>	<u>\$3,388,485</u>
Net position		
Investment in capital assets, net of related debt	\$ 97,969	\$ 118,030
Restricted		
Loan program	301,144	373,770
Unrestricted	<u>2,615,553</u>	<u>2,229,389</u>
Total	<u>\$3,014,666</u>	<u>\$2,721,189</u>

Total governmental funds revenue for the period ending June 30, 2014 was \$18,065,298. For the previous fiscal year, the total revenue was \$17,120,196. This results in a 5.52% increase in revenues. The net increase in revenues for FY 2014 is primarily due to an approximate \$909,000 increase in funding for the Cabinet for Health and Family Services Programs.

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, 2014**

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, 2014**

General Fund Budgetary Highlights

In Fiscal Year 2014, the NKADD had an initial total budget projected of \$16,958,072 in revenues and \$16,895,503 in expenditures and net other financing uses, with net change in fund balance of \$62,569. Of these dollars \$11,000,000 was projected pass-thru. During Fiscal Year 2014, the budget was amended to increase revenues to \$17,580,753 and increase expenditures and net other financing uses to \$17,523,753. The actual revenues on the budgetary basis for Fiscal Year 2014 were \$17,469,018 and \$16,014,041 in actual expenditures and net other financing uses, compared to Fiscal Year 2013 revenues of \$16,381,935 and expenditures and net other financing uses of \$15,927,080.

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, 2014 and June 30 2013. This represents the only capital asset not depreciated. The office building has a historical cost of \$1,636,482 for June 30, 2014 and \$1,591,066 for June 30, 2013. During the fiscal year there were additions to the office building for \$45,416. The accumulated depreciation for the office building at June 30, 2014 was \$619,643 and at June 30, 2013 was \$571,550. The increase of \$48,093 was depreciation expense for fiscal year 2014. Computer equipment has a historical cost of \$608,824 for June 30, 2014 and \$543,529 for June 30, 2013. During the fiscal year there were additions to computer equipment for \$68,102 and disposals of \$2,807. Accumulated depreciation for computer equipment was \$460,209 at June 30, 2014 and \$427,106 at June 30, 2013. Accumulated depreciation for computer equipment increased for depreciation of \$35,910 and decreased for disposals of \$2,807. Furniture and fixtures have a historical cost of \$256,552 for June 30, 2014 and \$232,477 for June 30, 2013. During the fiscal year there were additions to furniture and fixtures for \$27,788 and disposals of \$3,713. The accumulated depreciation for furniture and fixtures was \$194,651 at June 30, 2014 and \$185,826 at June 30, 2013. Accumulated depreciation for furniture and fixtures increased for depreciation of \$12,538 and decreased for disposals of \$3,713. Computer software has a historical cost of \$42,173 for both June 30, 2014 and June 30, 2013. The accumulated depreciation for computer software was \$11,949 at June 30, 2014 and \$7,732 at June 30, 2013. Accumulated depreciation for computer software increased for depreciation of \$4,217.

DEBT ADMINISTRATION

Of the capital items, the land and office building were financed by long-term debt. This debt represented the only capital assets financed debt of the NKADD. In December 2013, the NKADD's remaining U.S. Department of Agriculture (USDA) "First Mortgage Revenue Bonds," Series 2001 were paid in full with funds provided by the City of Florence under a capital lease arrangement. The lease/financing arrangement with the City of Florence has an average interest rate of 3.5%, payable semi-annually. The unpaid balance was \$2,400,000 at June 30, 2014. The debt service total principal and interest for Fiscal Year 2015 will be \$183,097.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The NKADD budget and financial stability is closely connected to receipt of federal and state public dollars. For Fiscal Year 2015, budgeted revenues are \$16,308,877 and expenditures are \$16,261,033. The difference between Fiscal Year 2015 budgeted revenues and expenditures is \$47,844.

While retirement costs continue to be a long-term financial issue for NKADD, the Fiscal Year 2014 employer contribution rate for NKADD in the County Employees Retirement System (CERS) of 18.89% was a 3.4% decrease from Fiscal Year 2013. In Fiscal Year 2015, the CERS rate will decline to 17.67%.

With respect to Fiscal Year 2015, the Kentucky General Assembly will conduct a short, non-budget session in 2015. Therefore, budget cuts for programs are not anticipated at the State budget level. However, the anticipated changes in Fiscal Year 2015 to state regulations pertaining to human services and case management delivery; as well as the new federal Workforce Innovation and Opportunity Act (WIOA), will result in alterations of distribution of funding and/or funding focuses. What these specific funding changes could be, and how they may impact programs of the NKADD remain to be seen.

The NKADD continues to better position itself for emergencies. The unrestricted fund balances as of June 30, 2014 was \$2,615,553 compared to \$2,229,389 at the end of Fiscal Year 2013. 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.

THIS PAGE IS LEFT BLANK INTENTIONALLY.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014**

	Primary Governmental
- ASSETS -	
Current assets:	
Cash and cash equivalents	\$ 1,814,244
Cash - building construction account	1,028,404
Cash - building reserve account	122,538
Accounts receivable	2,555,683
Prepaid expenses	100,126
Loans receivable	48,716
Total current assets	5,669,711
Noncurrent Assets:	
Loans receivable	251,457
Capital assets, net	1,484,554
Total non-current assets	1,736,011
Total assets	\$ 7,405,722
 - LIABILITIES -	
Current liabilities:	
Accounts payable	\$ 1,089,862
Accrued expenses	199,327
Funds received in excess of revenues earned	572,498
Employees accrued annual leave	114,380
Current portion of long term debt	105,000
Total current liabilities	2,081,067
Noncurrent liabilities:	
Long term debt	2,295,000
Total liabilities	4,376,067
Deferred inflows of resources:	
Premium on long term debt	14,989
Total liabilities and deferred inflows of resources	\$ 4,391,056
 - NET POSITION -	
Investment in capital assets, net of related debt items	\$ 97,969
Restricted for:	
Loan program	301,144
Unrestricted	2,615,553
Total net position	\$ 3,014,666

The accompanying notes are an integral part of this statement

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014**

<u>Functions</u>	<u>Direct Expenses</u>	<u>Indirect Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense)</u>
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Revenue and Changes in Net Position</u>
					<u>Total Governmental Activities</u>
Governmental Activities					
Cabinet for Health and Family Services	\$ 10,351,468	\$ 312,694	\$ 33	\$ 11,015,400	\$ 351,271
Workforce Investment Act	3,231,640	151,511	-	3,383,151	-
Commodities	692,424	10,622	95	702,951	-
Supportive Housing	463,061	4,426	-	467,487	-
Loan Program	22,623	3,026	21,020	(67,997)	(72,626)
Joint Funding Administration	228,316	32,874	-	261,190	-
Other Federal Contracts	874,240	84,193	-	958,433	-
Other State Contracts	256,123	26,193	-	282,316	-
Other Local Contracts	858,582	54,770	489,252	363,979	(60,121)
Interest on long term debt	72,727	(32,318)	-	-	(40,409)
Total governmental activities	<u>17,051,204</u>	<u>647,991</u>	<u>510,400</u>	<u>17,366,910</u>	<u>178,115</u>
GENERAL REVENUES:					
Municipal contributions					114,735
Interest income					627
Total general revenues					<u>115,362</u>
Change in net position					293,477
NET POSITION, BEGINNING					<u>2,721,189</u>
NET POSITION, ENDING					<u>\$ 3,014,666</u>

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014**

	General	Special Revenue	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
- ASSETS -			
Cash and cash equivalents	\$ 1,814,244	\$ -	\$ 1,814,244
Cash - building construction account	1,028,404	-	1,028,404
Cash - building reserve account	122,538	-	122,538
Accounts receivable	2,555,683	-	2,555,683
Prepaid expenses	100,126	-	100,126
Loans receivable	-	300,173	300,173
Due (to)/from other funds	(213,865)	213,865	-
Total assets	<u>\$ 5,407,130</u>	<u>\$ 514,038</u>	<u>\$ 5,921,168</u>
- LIABILITIES AND FUNDS EQUITY -			
- LIABILITIES -			
Accounts payable	\$ 1,089,862	\$ -	\$ 1,089,862
Accrued expenses	158,918	-	158,918
Funds received in excess of revenues earned	411,324	161,174	572,498
Employees accrued annual leave	114,380	-	114,380
Total liabilities	<u>1,774,484</u>	<u>161,174</u>	<u>1,935,658</u>
- FUND BALANCES -			
Non-spendable			
Prepaid expenses	100,126	-	100,126
Restricted			
Building construction	1,028,404	-	1,028,404
Loan program	-	301,144	301,144
Assigned			
Building reserve	122,538	-	122,538
Working capital	-	51,720	51,720
Unassigned	2,381,578	-	2,381,578
Total fund balances	<u>3,632,646</u>	<u>352,864</u>	<u>3,985,510</u>
Total liabilities and fund balances	<u>\$ 5,407,130</u>	<u>\$ 514,038</u>	<u>\$ 5,921,168</u>

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, 2014**

Total fund balance - governmental funds	\$	3,985,510
 <i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		1,484,554
Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		(2,400,000)
Costs incurred with the issuance of long term debt are not financial resources and therefore are not reported as assets in governmental funds.		
Accrued interest expense	\$	(40,409)
Bond premium		(14,989)
		(55,398)
 <i>Net position of governmental activities</i>	 \$	 <u><u>3,014,666</u></u>

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, 2014**

	General	Special Revenue	Totals
REVENUES:			
Applied to all programs:			
Federal revenues	\$ 6,782,681	\$ (6,306)	\$ 6,776,375
State revenues	9,624,068	-	9,624,068
Federal commodities	581,566	-	581,566
Interest income	755	21,020	21,775
Local revenues	1,061,514	-	1,061,514
Net revenues	<u>18,050,584</u>	<u>14,714</u>	<u>18,065,298</u>
EXPENDITURES:			
CHFS - other sub-grantees	8,104,263	-	8,104,263
WIA sub-grantees	2,172,999	-	2,172,999
Commodities	581,566	-	581,566
Supportive Housing sub-grantees	431,869	-	431,869
Other Federal Contracts sub-grantees	158,457	-	158,457
Other State Contracts sub-grantees	29,520	-	29,520
Other Local Contracts sub-grantees	268,721	-	268,721
Revolving loans	-	-	-
Direct salaries	3,174,309	13,753	3,188,062
Direct employee benefits	1,220,479	5,473	1,225,952
Direct travel	160,453	92	160,545
Direct contracts	190,712	1,807	192,519
Direct other	429,330	1,498	430,828
Direct local non-grant expenses	58,085	-	58,085
Shared expenses	677,283	3,026	680,309
Total expenditures	<u>17,658,046</u>	<u>25,649</u>	<u>17,683,695</u>
Excess of revenues (expenditures)	<u>392,538</u>	<u>(10,935)</u>	<u>381,603</u>
OTHER FINANCING SOURCES (USES):			
Operating sources in	2,452,550	10,935	2,463,485
Operating uses out	(1,390,111)	(72,626)	(1,462,737)
Net other financing sources (uses)	<u>1,062,439</u>	<u>(61,691)</u>	<u>1,000,748</u>
Net change in fund balances	1,454,977	(72,626)	1,382,351
Fund balances - beginning of year	<u>2,177,669</u>	<u>425,490</u>	<u>2,603,159</u>
Fund balances - end of year	<u>\$ 3,632,646</u>	<u>\$ 352,864</u>	<u>\$ 3,985,510</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, 2014**

Net change in fund balances - total government funds \$ 1,382,351

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 capital outlays (\$141,306) exceeded depreciation expense (\$100,758). 40,548

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 position. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long term debt and related items.

Principal payment on USDA financing	\$	1,325,976	
Proceeds from long term debt		(2,400,000)	
Accrued interest expense		(40,409)	
Premium from long term debt		(14,989)	
		(1,129,422)	(1,129,422)

Change in Net Position of Governmental Activities **\$ 293,477**

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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, 2014**

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:

Accounting Standards provide a more clearly defined fund balance categories to make the nature and extent of the constraints placed on the NKADD's fund balances more transparent. In the fund financial statements, governmental fund balances can be presented in five possible categories:

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

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

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

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

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

When an expense is incurred that can be paid using either restricted or unrestricted resources (net position), the NKADD's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the NKADD'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, 2014**

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, 2014 the NKADD held no cash equivalents.

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.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Property and Equipment: Equipment is generally acquired by NKADD in part with grant funds. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Capital assets purchased or acquired with an original cost of \$500 or more are reported at cost. Other costs incurred for repairs and maintenance are expensed as incurred. Property acquired by the NKADD is stated at cost, less accumulated depreciation computed by the straight line method over the following estimated useful lives:

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

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

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

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

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

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

NOTE 2 - CASH AND INVESTMENTS

At June 30, 2014, the carrying amount of the NKADD's deposits (cash and cash equivalents) was \$2,965,186 and the bank balances totaled \$3,341,475. The building construction account balance was \$1,028,404, which consists of a money market government fund, and is uninsured. Of the remaining cash, \$250,000 is covered by the Federal Depository Insurance (FDIC) with the balance secured by pledged securities held by the pledging financial institution's agent as collateral for the bank balances in excess of the FDIC insured amount.

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014.

The NKADD leases various office spaces under operating leases expiring at different dates through, July, 2021 and also subleases some of those spaces. The current year lease expense was \$107,148. The current year sublease income was \$52,452. The approximate future minimum lease payments and income relative to these leases as of June 30, 2014 are summarized as follows:

<u>Fiscal Year Ending June 30</u>	<u>Expense</u>	<u>Income</u>
2015	\$ 198,629	\$ 86,222
2016	220,909	79,364
2017	192,774	59,388
2018	192,774	59,388
2019	186,314	59,388
Thereafter	<u>381,425</u>	<u>123,725</u>
	<u>\$1,372,825</u>	<u>\$467,475</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 ("the Plan") which is a cost sharing, multi-employer, public employers retirement system that covers substantially all other full-time employees not participating in the IRA match plan above. Funding for the Plan is provided through payroll withholdings of 5.00% of employee's wages (6% for employees with a participation date on or after September 1, 2008) and NKADD's varying contribution percentages (18.89% for 2014, 19.55% for 2013, and 18.96% for 2012) of the employee's total compensation subject to contribution. Vesting in the Plan begins upon entry into the system. The employee is fully vested after completion of sixty months of service.

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

The Plan also provides disability and health care benefits to qualified employees and survivor and death benefits to qualified beneficiaries. The Plan issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601 or from their website at www.kyret.ky.gov.

The NKADD's required contributions for pension obligations to the Plan for the years ended June 30, 2014, 2013 and 2012 were \$ 595,527, \$585,058, and \$575,299, respectively. The NKADD has contributed 100% for fiscal years 2014, 2013 and 2012.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets at historical cost follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ <u>226,975</u>	\$ _____ -	\$ _____ -	\$ <u>226,975</u>
Total capital assets not being depreciated	<u>226,975</u>	_____ -	_____ -	<u>226,975</u>
Other capital assets:				
Buildings and improvements	1,591,066	45,416	-	1,636,482
Computer software	42,173	-	-	42,173
Computer equipment	543,529	68,102	(2,807)	608,824
Furniture and fixtures	<u>232,477</u>	<u>27,788</u>	<u>(3,713)</u>	<u>256,552</u>
Total capital assets being depreciated	<u>2,409,245</u>	<u>141,306</u>	<u>(6,520)</u>	<u>2,544,031</u>
Less accumulated depreciation for:				
Buildings and improvements	(571,550)	(48,093)	-	(619,643)
Computer software	(7,732)	(4,217)	-	(11,949)
Computer equipment	(427,106)	(35,910)	2,807	(460,209)
Furniture and fixtures	<u>(185,826)</u>	<u>(12,538)</u>	<u>3,713</u>	<u>(194,651)</u>
Total accumulated depreciation	<u>(1,192,214)</u>	<u>(100,758)</u>	<u>6,520</u>	<u>(1,286,452)</u>
Other capital assets, net	<u>1,217,031</u>	<u>40,548</u>	_____ -	<u>1,257,579</u>
Governmental activities capital assets, net	<u>\$1,444,006</u>	<u>\$ 40,548</u>	<u>\$ _____ -</u>	<u>\$ 1,484,554</u>

NOTE 6 - LONG TERM DEBT

The following is a summary of the NKADD's debt:

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance June 30, 2014</u>	<u>Current Portion</u>
USDA					
Series 2001 Bonds	\$1,325,976	\$ -	\$1,325,976	\$ -	\$ -
City of Florence					
Capital lease	_____ -	2,400,000	_____ -	2,400,000	105,000
Totals	<u>\$1,325,976</u>	<u>\$2,400,000</u>	<u>\$1,325,976</u>	<u>\$2,400,000</u>	<u>\$105,000</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 6 - LONG TERM DEBT (CONTINUED)

U.S. DEPARTMENT OF AGRICULTURE

In December 2013, NKADD's remaining U.S. Department of Agriculture (USDA) "First Mortgage Revenue Bonds", Series 2001 were paid in full with funds provided by the City of Florence under a capital lease arrangement.

CAPITAL LEASE – CITY OF FLORENCE

In order to retire the USDA Series 2001 Bonds and provide funds for its office building improvements and expansion, NKADD and the City of Florence entered into a lease/financing arrangement. The capital lease arrangement provided approximately \$2,415,000 to NKADD at an average interest rate of 3.5% payable semi-annually to be expended as follows:

Retirement of USDA Series 2001 Bonds, plus accrued interest	\$1,358,294
Building improvements and expansion	1,001,986
Loan costs	<u>54,720</u>
	<u>\$2,415,000</u>

This lease obligation is payable through January 1, 2034 and is secured by the NKADD's office building and related real estate. Debt service requirements on this capital lease are as follows:

<u>Year Ending June 30</u>	<u>Interest Rates</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	2.00%	\$ 105,000	\$ 78,097	\$ 183,097
2016	2.00%	110,000	73,275	183,275
2017	2.00%	110,000	71,075	181,075
2018	2.00%	115,000	68,875	183,875
2019	2.00%	120,000	66,575	186,575
2020-2024	2.25% - 3.00%	630,000	290,075	920,075
2025-2029	3.00% - 4.00%	730,000	186,363	916,363
2030-2034	4.00% - 4.25%	<u>480,000</u>	<u>51,013</u>	<u>531,013</u>
Totals		<u>\$2,400,000</u>	<u>\$885,348</u>	<u>\$3,285,348</u>

NOTE 7 - OTHER FINANCING SOURCES (USES)

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

	Governmental Fund Types	
	General Fund	Special Revenue Fund Types
Principal payment on USDA financing	\$(1,325,976)	\$ -
Transfer from general fixed assets	51,872	-
Transfer to general fixed assets	(53,200)	-
Proceeds from issuance of bonds	2,400,000	-
Net capital lease activity	678	-
Transfer from general fund to special revenue fund	(10,935)	10,935
Net Revolving loan principal activity	-	<u>(72,626)</u>
Net other financing sources (uses)	<u>\$ 1,062,439</u>	<u>\$ (61,691)</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014**

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, 2014 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 '14 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 \$301,144 for small business loans reported as funds to reflect purpose restrictions imposed by the grantors. Net position restricted for building construction includes the cash restricted by the lease/financing agreement to be used in the construction of the building addition. These restrictions are functionally classified in the statement of net position.

NOTE 10 - COST ALLOCATION PLAN

NKADD is required by the Department of Local Government to operate under a cost allocation plan that conforms with 2 CFR Part 225. A summary of the cost allocation plan begins on page 94. NKADD is in conformity with 2 CFR Part 225.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
	Original	Final		Budgetary Basis
Fund balance July 1, 2013	\$ 2,177,669	\$ 2,177,669	\$ 2,177,669	\$ -
RESOURCES (inflows):				
Federal and state revenues	4,891,949	5,452,327	5,509,641	57,314
Local contract revenue	894,623	634,676	622,098	(12,578)
Local contribution revenue	160,000	160,000	164,927	4,927
Annual meeting	6,500	5,768	5,768	-
Miscellaneous revenue	5,000	33	755	722
Pass-through revenue	11,000,000	11,327,949	11,165,829	(162,120)
Total resources	<u>16,958,072</u>	<u>17,580,753</u>	<u>17,469,018</u>	<u>(111,735)</u>
Amounts available for use	<u>19,135,741</u>	<u>19,758,422</u>	<u>19,646,687</u>	<u>(111,735)</u>
EXPENDITURES (outflows):				
Direct salaries	3,293,157	3,296,800	3,174,309	122,491
Direct employee benefits	1,323,486	1,254,492	1,220,479	34,013
Direct travel	160,709	189,001	160,453	28,548
Direct contracts	142,632	190,400	190,712	(312)
Direct other	268,346	457,745	429,330	28,415
Direct local non-grant expenses	55,500	55,500	58,085	(2,585)
Shared expenses	604,173	704,366	677,283	27,083
Pass-through expenditures	11,000,000	11,327,949	11,165,829	162,120
Total expenditures before other sources	<u>16,848,003</u>	<u>17,476,253</u>	<u>17,076,480</u>	<u>399,773</u>
Net other financing (sources) uses	<u>47,500</u>	<u>47,500</u>	<u>(1,062,439)</u>	<u>1,109,939</u>
Net expenditures	<u>16,895,503</u>	<u>17,523,753</u>	<u>16,014,041</u>	<u>1,509,712</u>
Budgetary fund balance June 30, 2014	<u><u>\$ 2,240,238</u></u>	<u><u>\$ 2,234,669</u></u>	<u><u>\$ 3,632,646</u></u>	<u><u>\$ 1,397,977</u></u>

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2014**

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, 2014, as listed in the table of contents is not a presentation in conformity with accounting principles generally accepted in the United States of America. In our opinion, the accompanying summary information is fairly stated in all material respects, in relation to the portion of the basic financial statements from which it has been derived.

VonLehman & Company Inc.

Fort Mitchell, Kentucky
February 26, 2015

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY GRANT
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED JUNE 30, 2014**

REFERENCE	<u>Cabinet for Health and Family Services Pages 25-31</u>	<u>Workforce Investment Act Pages 51-56</u>	<u>Commodities Pages 75-76</u>	<u>Supportive Housing Pages 77-78</u>
REVENUES:				
Federal	\$ 1,799,174	\$ 3,383,151	\$ 121,385	\$ 447,547
State	9,150,217	-	-	19,940
Federal commodities	-	-	581,566	-
Local funds applied	22,653	-	-	-
Match - cash	437,269	-	-	-
Match - In kind	288,301	-	-	65,735
Program income	106,301	-	-	-
Interest income	33	-	95	-
Local revenue	43,356	-	-	-
Total revenues	<u>11,847,304</u>	<u>3,383,151</u>	<u>703,046</u>	<u>533,222</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	1,459,430	714,231	51,369	21,657
Employee benefits	564,572	266,843	17,693	7,745
Travel	69,720	25,821	2,839	251
Contracts	4,593	22,135	36,000	70
Other	148,890	29,611	2,957	1,469
Total direct expenses	<u>2,247,205</u>	<u>1,058,641</u>	<u>110,858</u>	<u>31,192</u>
Shared expenses applied	<u>312,694</u>	<u>151,511</u>	<u>10,622</u>	<u>4,426</u>
Sub-total expenditures	<u>2,559,899</u>	<u>1,210,152</u>	<u>121,480</u>	<u>35,618</u>
Sub-recipients/sub-grantees	<u>8,936,134</u>	<u>2,172,999</u>	<u>581,566</u>	<u>497,604</u>
Total expenditures	<u>11,496,033</u>	<u>3,383,151</u>	<u>703,046</u>	<u>533,222</u>
Excess revenues (expenditures) before transfers to (from)	<u>351,271</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ 351,271</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Loan Program</u> <u>Pages 79-80</u>	<u>Joint Funding</u> <u>Administration</u> <u>Pages 81-82</u>	<u>Other Federal</u> <u>Contracts</u> <u>Pages 83-85</u>	<u>Other State</u> <u>Contracts</u> <u>Pages 87-90</u>	<u>Other Local</u> <u>Contracts</u> <u>Pages 91-93</u>	<u>Shared</u> <u>Expenses</u> <u>Page 94</u>	<u>Revenues and</u> <u>Expenditures</u> <u>Total</u>
\$ (6,306)	\$ 85,400	\$ 946,024	\$ -	\$ -	\$ -	\$ 6,776,375
-	175,790	4,661	273,460	-	-	9,624,068
-	-	-	-	-	-	581,566
10,935	-	7,748	8,856	(50,192)	-	-
-	-	-	-	-	-	437,269
-	-	-	-	-	-	354,036
-	-	-	-	-	-	106,301
21,020	-	-	-	627	-	21,775
-	-	-	-	1,018,158	-	1,061,514
<u>25,649</u>	<u>261,190</u>	<u>958,433</u>	<u>282,316</u>	<u>968,593</u>	<u>-</u>	<u>18,962,904</u>
13,753	156,003	389,339	121,253	261,027	79,403	3,267,465
5,473	60,799	155,278	46,802	100,747	22,889	1,248,841
92	8,503	23,600	5,598	24,121	19,848	180,393
1,807	-	93,986	18,048	15,880	73,187	265,706
1,498	3,011	53,580	34,902	212,995	484,982	973,895
<u>22,623</u>	<u>228,316</u>	<u>715,783</u>	<u>226,603</u>	<u>614,770</u>	<u>680,309</u>	<u>5,936,300</u>
<u>3,026</u>	<u>32,874</u>	<u>84,193</u>	<u>26,193</u>	<u>54,770</u>	<u>(680,309)</u>	<u>-</u>
<u>25,649</u>	<u>261,190</u>	<u>799,976</u>	<u>252,796</u>	<u>669,540</u>	<u>-</u>	<u>5,936,300</u>
<u>-</u>	<u>-</u>	<u>158,457</u>	<u>29,520</u>	<u>268,721</u>	<u>-</u>	<u>12,645,001</u>
<u>25,649</u>	<u>261,190</u>	<u>958,433</u>	<u>282,316</u>	<u>938,261</u>	<u>-</u>	<u>18,581,301</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,332</u>	<u>-</u>	<u>381,603</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,332</u>	<u>\$ -</u>	<u>\$ 381,603</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

REFERENCE	Title III		Title VII	
	Pages 33-36		Pages 37-38	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 1,098,988	\$ 1,054,090	\$ 22,782	\$ 20,988
State	434,913	434,913	-	-
Local funds applied	13,178	13,042	148	65
Match - cash	368,989	368,989	3,398	3,398
Match - In kind	272,943	272,240	1,854	1,854
Program income	10,427	10,427	-	-
Interest income	-	-	-	-
Local revenue	335	335	-	-
Total revenues	2,199,773	2,154,036	28,182	26,305
EXPENDITURES:				
Direct Expenses:				
Salaries	235,415	229,433	719	570
Employee benefits	93,691	91,327	190	151
Travel	10,578	11,547	-	-
Contracts	2,310	3,443	-	-
Other	51,162	35,593	8,100	6,449
Total direct expenses	393,156	371,343	9,009	7,170
Shared expenses applied	51,655	49,489	139	108
Sub-total expenditures	444,811	420,832	9,148	7,278
Sub-recipients/sub-grantees	1,754,962	1,733,204	19,034	19,027
Total expenditures	2,199,773	2,154,036	28,182	26,305
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

NSIP		Homecare		Adult Day Care	
320-319		Pages 39-40		Pages 41-42	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 94,141	\$ 94,141	\$ -	\$ -	\$ -	\$ -
-	-	1,367,671	1,361,282	127,654	119,601
-	-	9,292	9,292	39	39
-	-	53,004	53,004	-	-
-	-	14,207	14,207	-	-
-	-	5,450	5,450	-	-
-	-	-	-	9	9
-	-	43,021	43,021	-	-
<u>94,141</u>	<u>94,141</u>	<u>1,492,645</u>	<u>1,486,256</u>	<u>127,702</u>	<u>119,649</u>
-	-	366,592	370,557	15,757	12,873
-	-	139,525	140,808	6,371	5,136
-	-	20,897	19,118	634	490
-	-	-	-	-	-
-	-	28,595	14,550	349	349
-	-	555,609	545,033	23,111	18,848
-	-	74,874	79,061	3,493	2,751
-	-	630,483	624,094	26,604	21,599
<u>94,141</u>	<u>94,141</u>	<u>862,162</u>	<u>862,162</u>	<u>101,098</u>	<u>98,050</u>
<u>94,141</u>	<u>94,141</u>	<u>1,492,645</u>	<u>1,486,256</u>	<u>127,702</u>	<u>119,649</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, 2013 TO JUNE 30, 2014**

REFERENCE	Personal Care Attendant		SHIP	
	Pages 43-44		Pages 45-46	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ 55,841	\$ 55,841
State	523,982	523,978	-	-
Local funds applied	-	-	186	215
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	1	1
Local revenue	-	-	-	-
Total revenues	523,982	523,978	56,028	56,057
EXPENDITURES:				
Direct Expenses:				
Salaries	15,677	17,260	1,797	1,820
Employee benefits	5,140	5,656	477	483
Travel	2,409	127	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	23,226	23,043	2,274	2,303
Shared expenses applied	3,302	3,481	364	364
Sub-total expenditures	26,528	26,524	2,638	2,667
Sub-recipients/sub-grantees	497,454	497,454	53,390	53,390
Total expenditures	523,982	523,978	56,028	56,057
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

LTC Ombudsman 321-323		Improving Arthritis 317-556		Kentucky Caregiver Pages 47-48	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 43,500	\$ 41,918	\$ -	\$ -
61,716	61,716	-	-	162,957	149,589
-	-	-	-	-	-
11,878	11,878	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>73,594</u>	<u>73,594</u>	<u>43,500</u>	<u>41,918</u>	<u>162,957</u>	<u>149,589</u>
-	-	1,740	1,249	41,028	38,869
-	-	599	430	12,617	11,994
-	-	-	-	1,500	1,060
-	-	-	-	-	-
-	-	40,790	39,968	11,166	1,667
-	-	43,129	41,647	66,311	53,590
-	-	371	271	8,461	7,814
-	-	43,500	41,918	74,772	61,404
<u>73,594</u>	<u>73,594</u>	<u>-</u>	<u>-</u>	<u>88,185</u>	<u>88,185</u>
<u>73,594</u>	<u>73,594</u>	<u>43,500</u>	<u>41,918</u>	<u>162,957</u>	<u>149,589</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, 2013 TO JUNE 30, 2014**

REFERENCE	CDO		Chronic Disease	
	Pages 49-50		320-327	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 300,000	\$ 471,100	\$ 9,553	\$ 4,672
State	6,387,560	6,499,138	-	-
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	90,424	-	-
Interest income	-	23	-	-
Local revenue	-	-	-	-
Total revenues	6,687,560	7,060,685	9,553	4,672
EXPENDITURES:				
Direct Expenses:				
Salaries	790,590	763,395	4,882	2,688
Employee benefits	311,833	299,303	1,294	739
Travel	39,000	36,276	979	610
Contracts	3,000	1,150	-	-
Other	54,700	42,338	2,398	118
Total direct expenses	1,199,123	1,142,462	9,553	4,155
Shared expenses applied	188,437	164,196	-	517
Sub-total expenditures	1,387,560	1,306,658	9,553	4,672
Sub-recipients/sub-grantees	5,300,000	5,402,756	-	-
Total expenditures	6,687,560	6,709,414	9,553	4,672
Excess revenues (expenditures) before transfers to (from)	-	351,271	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ 351,271	\$ -	\$ -

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

A&D Resource Center		Functional Assessment		MIPPA 3	
317-551		317-557		326-313	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 9,300	\$ 9,300	\$ 2,400	\$ 2,117	\$ 21,125	\$ 20,472
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,300	9,300	2,400	2,117	21,125	20,472
5,182	5,382	512	995	2,355	1,970
2,243	2,317	190	309	1,005	836
-	-	-	159	-	-
-	-	-	-	-	-
697	500	1,587	392	3,062	3,100
8,122	8,199	2,289	1,855	6,422	5,906
1,178	1,101	111	262	533	395
9,300	9,300	2,400	2,117	6,955	6,301
-	-	-	-	14,170	14,171
9,300	9,300	2,400	2,117	21,125	20,472
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

REFERENCE	Health Benefits Exchange		Cabinet for Health and Family Services	
	326-336		Totals	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 103,984	\$ 24,535	\$ 1,761,614	\$ 1,799,174
State	-	-	9,066,453	9,150,217
Local funds applied	-	-	22,843	22,653
Match - cash	-	-	437,269	437,269
Match - In kind	-	-	289,004	288,301
Program income	-	-	15,877	106,301
Interest income	-	-	10	33
Local revenue	-	-	43,356	43,356
Total revenues	103,984	24,535	11,636,426	11,847,304
EXPENDITURES:				
Direct Expenses:				
Salaries	55,425	12,369	1,537,671	1,459,430
Employee benefits	22,676	5,083	597,851	564,572
Travel	9,486	333	85,483	69,720
Contracts	-	-	5,310	4,593
Other	3,475	3,866	206,081	148,890
Total direct expenses	91,062	21,651	2,432,396	2,247,205
Shared expenses applied	12,922	2,884	345,840	312,694
Sub-total expenditures	103,984	24,535	2,778,236	2,559,899
Sub-recipients/sub-grantees	-	-	8,858,190	8,936,134
Total expenditures	103,984	24,535	11,636,426	11,496,033
Excess revenues (expenditures) before transfers to (from)	-	-	-	351,271
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ 351,271

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

THIS PAGE IS LEFT BLANK INTENTIONALLY.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TITLE III
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Administration		Supportive Services	
	320-300		320-301	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 84,769	\$ 83,557	\$ 394,630	\$ 375,216
State	55,427	55,428	311,340	311,340
Local funds applied	-	-	-	-
Match - cash	-	-	291,620	291,620
Match - In kind	-	-	256,396	256,396
Program income	-	-	3,217	3,217
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>140,196</u>	<u>138,985</u>	<u>1,257,203</u>	<u>1,237,789</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	81,759	75,529	101,047	101,047
Employee benefits	30,858	28,441	41,931	41,931
Travel	4,000	6,701	2,867	2,867
Contracts	-	1,133	210	210
Other	5,716	11,189	40,194	20,780
Total direct expenses	<u>122,333</u>	<u>122,993</u>	<u>186,249</u>	<u>166,835</u>
Shared expenses applied	<u>17,863</u>	<u>15,992</u>	<u>22,132</u>	<u>22,132</u>
Sub-total expenditures	<u>140,196</u>	<u>138,985</u>	<u>208,381</u>	<u>188,967</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>1,048,822</u>	<u>1,048,822</u>
Total expenditures	<u>140,196</u>	<u>138,985</u>	<u>1,257,203</u>	<u>1,237,789</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from):				
To #102-709	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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
\$ 213,918	\$ 196,149	\$ 246,090	\$ 242,109	\$ 20,607	\$ 20,600
12,843	12,843	33,803	33,803	1,500	1,499
-	-	-	-	1	1
26,107	26,107	50,830	50,830	-	-
4,166	4,166	-	-	-	-
7,110	7,110	100	100	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>264,144</u>	<u>246,375</u>	<u>330,823</u>	<u>326,842</u>	<u>22,108</u>	<u>22,100</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,100	2,100
-	-	-	-	-	-
-	-	-	-	2,100	2,100
-	-	-	-	-	-
-	-	-	-	2,100	2,100
<u>264,144</u>	<u>246,375</u>	<u>330,823</u>	<u>326,842</u>	<u>20,008</u>	<u>20,000</u>
<u>264,144</u>	<u>246,375</u>	<u>330,823</u>	<u>326,842</u>	<u>22,108</u>	<u>22,100</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TITLE III
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Caregiver Administration		Caregiver Support	
	320-308		320-309	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 12,855	\$ 12,446	\$ 126,119	\$ 124,013
State	-	-	20,000	20,000
Local funds applied	4,285	4,149	8,892	8,892
Match - cash	-	-	432	432
Match - In kind	-	-	12,381	11,678
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	335	335
Total revenues	<u>17,140</u>	<u>16,595</u>	<u>168,159</u>	<u>165,350</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	10,601	11,029	42,008	41,828
Employee benefits	3,248	3,351	17,654	17,604
Travel	1,094	2	2,617	1,977
Contracts	-	-	-	-
Other	-	-	5,252	3,624
Total direct expenses	<u>14,943</u>	<u>14,382</u>	<u>67,531</u>	<u>65,033</u>
Shared expenses applied	<u>2,197</u>	<u>2,213</u>	<u>9,463</u>	<u>9,152</u>
Sub-total expenditures	<u>17,140</u>	<u>16,595</u>	<u>76,994</u>	<u>74,185</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>91,165</u>	<u>91,165</u>
Total expenditures	<u>17,140</u>	<u>16,595</u>	<u>168,159</u>	<u>165,350</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from):				
From #322-331	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Title III	
Totals	
Budget	Actual
\$ 1,098,988	\$ 1,054,090
434,913	434,913
13,178	13,042
368,989	368,989
272,943	272,240
10,427	10,427
-	-
335	335
2,199,773	2,154,036
235,415	229,433
93,691	91,327
10,578	11,547
2,310	3,443
51,162	35,593
393,156	371,343
51,655	49,489
444,811	420,832
1,754,962	1,733,204
2,199,773	2,154,036
-	-
-	-
\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TITLE VII
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Elder Abuse		Ombudsman	
	320-305		320-306	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 5,002	\$ 4,995	\$ 8,780	\$ 8,780
State	-	-	-	-
Local funds applied	-	-	-	-
Match - cash	1,137	1,137	2,261	2,261
Match - In kind	690	690	1,164	1,164
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>6,829</u>	<u>6,822</u>	<u>12,205</u>	<u>12,205</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	-	-	-	-
Shared expenses applied	-	-	-	-
Sub-total expenditures	-	-	-	-
Sub-recipients/sub-grantees	<u>6,829</u>	<u>6,822</u>	<u>12,205</u>	<u>12,205</u>
Total expenditures	<u>6,829</u>	<u>6,822</u>	<u>12,205</u>	<u>12,205</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Ombudsman - Education		Title VII	
320-307		Totals	
Budget	Actual	Budget	Actual
\$ 9,000	\$ 7,213	\$ 22,782	\$ 20,988
-	-	-	-
148	65	148	65
-	-	3,398	3,398
-	-	1,854	1,854
-	-	-	-
-	-	-	-
-	-	-	-
<u>9,148</u>	<u>7,278</u>	<u>28,182</u>	<u>26,305</u>
719	570	719	570
190	151	190	151
-	-	-	-
-	-	-	-
<u>8,100</u>	<u>6,449</u>	<u>8,100</u>	<u>6,449</u>
9,009	7,170	9,009	7,170
<u>139</u>	<u>108</u>	<u>139</u>	<u>108</u>
9,148	7,278	9,148	7,278
-	-	19,034	19,027
<u>9,148</u>	<u>7,278</u>	<u>28,182</u>	<u>26,305</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 PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Administration		Home Delivered Meals	
	321-320		321-321	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	123,439	123,439	82,806	80,496
Local funds applied	9,292	9,292	-	-
Match - cash	-	-	11,849	11,849
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>132,731</u>	<u>132,731</u>	<u>94,655</u>	<u>92,345</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	81,358	81,358	3,002	1,552
Employee benefits	26,854	26,854	1,231	632
Travel	5,018	5,018	95	164
Contracts	-	-	-	-
Other	2,595	2,595	-	-
Total direct expenses	<u>115,825</u>	<u>115,825</u>	<u>4,328</u>	<u>2,348</u>
Shared expenses applied	<u>16,906</u>	<u>16,906</u>	<u>671</u>	<u>341</u>
Sub-total expenditures	<u>132,731</u>	<u>132,731</u>	<u>4,999</u>	<u>2,689</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>89,656</u>	<u>89,656</u>
Total expenditures	<u>132,731</u>	<u>132,731</u>	<u>94,655</u>	<u>92,345</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Social Services		Homecare	
321-322		Totals	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -
1,161,426	1,157,347	1,367,671	1,361,282
-	-	9,292	9,292
41,155	41,155	53,004	53,004
14,207	14,207	14,207	14,207
5,450	5,450	5,450	5,450
-	-	-	-
43,021	43,021	43,021	43,021
<u>1,265,259</u>	<u>1,261,180</u>	<u>1,492,645</u>	<u>1,486,256</u>
282,232	287,647	366,592	370,557
111,440	113,322	139,525	140,808
15,784	13,936	20,897	19,118
-	-	-	-
26,000	11,955	28,595	14,550
<u>435,456</u>	<u>426,860</u>	<u>555,609</u>	<u>545,033</u>
<u>57,297</u>	<u>61,814</u>	<u>74,874</u>	<u>79,061</u>
492,753	488,674	630,483	624,094
<u>772,506</u>	<u>772,506</u>	<u>862,162</u>	<u>862,162</u>
<u>1,265,259</u>	<u>1,261,180</u>	<u>1,492,645</u>	<u>1,486,256</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 PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Administration		Services	
	322-330		322-331	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	12,756	12,756	114,898	106,845
Local funds applied	39	39	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	9	9
Local revenue	-	-	-	-
Total revenues	<u>12,795</u>	<u>12,795</u>	<u>114,907</u>	<u>106,854</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	7,561	7,561	8,196	5,312
Employee benefits	2,794	2,794	3,577	2,342
Travel	465	465	169	25
Contracts	-	-	-	-
Other	349	349	-	-
Total direct expenses	<u>11,169</u>	<u>11,169</u>	<u>11,942</u>	<u>7,679</u>
Shared expenses applied	<u>1,626</u>	<u>1,626</u>	<u>1,867</u>	<u>1,125</u>
Sub-total expenditures	<u>12,795</u>	<u>12,795</u>	<u>13,809</u>	<u>8,804</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>101,098</u>	<u>98,050</u>
Total expenditures	<u>12,795</u>	<u>12,795</u>	<u>114,907</u>	<u>106,854</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from):				
To #320-309	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Adult Day Care	
Totals	
Budget	Actual
\$ -	\$ -
127,654	119,601
39	39
-	-
-	-
-	-
9	9
-	-
<u>127,702</u>	<u>119,649</u>
15,757	12,873
6,371	5,136
634	490
-	-
<u>349</u>	<u>349</u>
23,111	18,848
<u>3,493</u>	<u>2,751</u>
26,604	21,599
<u>101,098</u>	<u>98,050</u>
<u>127,702</u>	<u>119,649</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 PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Administration		Evaluation and Coordination	
	324-340		324-341	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	26,528	26,524	99,491	99,491
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	26,528	26,524	99,491	99,491
EXPENDITURES:				
Direct Expenses:				
Salaries	15,677	17,260	-	-
Employee benefits	5,140	5,656	-	-
Travel	2,409	127	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	23,226	23,043	-	-
Shared expenses applied	3,302	3,481	-	-
Sub-total expenditures	26,528	26,524	-	-
Sub-recipients/sub-grantees	-	-	99,491	99,491
Total expenditures	26,528	26,524	99,491	99,491
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Subsidy 324-342		Personal Care Attendant Totals	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -
397,963	397,963	523,982	523,978
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
397,963	397,963	523,982	523,978
-	-	15,677	17,260
-	-	5,140	5,656
-	-	2,409	127
-	-	-	-
-	-	-	-
-	-	23,226	23,043
-	-	3,302	3,481
-	-	26,528	26,524
397,963	397,963	497,454	497,454
397,963	397,963	523,982	523,978
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
SHIP
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Administration		Regular	
	326-310		326-311	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 2,452	\$ 2,452	\$ 53,389	\$ 53,389
State	-	-	-	-
Local funds applied	186	215	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	1	1
Local revenue	-	-	-	-
Total revenues	<u>2,638</u>	<u>2,667</u>	<u>53,390</u>	<u>53,390</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	1,797	1,820	-	-
Employee benefits	477	483	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	<u>2,274</u>	<u>2,303</u>	<u>-</u>	<u>-</u>
Shared expenses applied	<u>364</u>	<u>364</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	<u>2,638</u>	<u>2,667</u>	<u>-</u>	<u>-</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>53,390</u>	<u>53,390</u>
Total expenditures	<u>2,638</u>	<u>2,667</u>	<u>53,390</u>	<u>53,390</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SHIP	
Totals	
Budget	Actual
\$ 55,841	\$ 55,841
-	-
186	215
-	-
-	-
-	-
1	1
-	-
<u>56,028</u>	<u>56,057</u>
1,797	1,820
477	483
-	-
-	-
-	-
<u>2,274</u>	<u>2,303</u>
<u>364</u>	<u>364</u>
2,638	2,667
<u>53,390</u>	<u>53,390</u>
<u>56,028</u>	<u>56,057</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
KENTUCKY CAREGIVER
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Grandparents Administration 320-314		Grandparents Support 320-315	
	Budget	Actual	Budget	Actual
	REVENUES:			
Federal	\$ -	\$ -	\$ -	\$ -
State	15,254	15,254	147,703	134,335
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	15,254	15,254	147,703	134,335
EXPENDITURES:				
Direct Expenses:				
Salaries	10,144	10,144	30,884	28,725
Employee benefits	3,063	3,063	9,554	8,931
Travel	-	-	1,500	1,060
Contracts	-	-	-	-
Other	-	-	11,166	1,667
Total direct expenses	13,207	13,207	53,104	40,383
Shared expenses applied	2,047	2,047	6,414	5,767
Sub-total expenditures	15,254	15,254	59,518	46,150
Sub-recipients/ sub-grantees	-	-	88,185	88,185
Total expenditures	15,254	15,254	147,703	134,335
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Kentucky Caregiver	
Totals	
Budget	Actual
\$ -	\$ -
162,957	149,589
-	-
-	-
-	-
-	-
-	-
-	-
<u>162,957</u>	<u>149,589</u>
41,028	38,869
12,617	11,994
1,500	1,060
-	-
<u>11,166</u>	<u>1,667</u>
66,311	53,590
<u>8,461</u>	<u>7,814</u>
74,772	61,404
<u>88,185</u>	<u>88,185</u>
<u>162,957</u>	<u>149,589</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
CDO
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	CDO Financial Management		CDO Program	
	134-552		334-552	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 300,000	\$ 471,100	\$ -	\$ -
State	-	-	6,387,560	6,499,138
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	90,424
Interest income	-	-	-	23
Local revenue	-	-	-	-
Total revenues	300,000	471,100	6,387,560	6,589,585
EXPENDITURES:				
Direct Expenses:				
Salaries	173,427	139,135	617,163	624,260
Employee benefits	62,389	50,458	249,444	248,845
Travel	-	-	39,000	36,276
Contracts	-	-	3,000	1,150
Other	13,206	10,356	41,494	31,982
Total direct expenses	249,022	199,949	950,101	942,513
Shared expenses applied	50,978	29,218	137,459	134,978
Sub-total expenditures	300,000	229,167	1,087,560	1,077,491
Sub-recipients/sub-grantees	-	-	5,300,000	5,402,756
Total expenditures	300,000	229,167	6,387,560	6,480,247
Excess revenues (expenditures) before transfers to (from)	-	241,933	-	109,338
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ 241,933	\$ -	\$ 109,338

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

CDO	
Totals	
Budget	Actual
\$ 300,000	\$ 471,100
6,387,560	6,499,138
-	-
-	-
-	-
-	90,424
-	23
-	-
<u>6,687,560</u>	<u>7,060,685</u>
790,590	763,395
311,833	299,303
39,000	36,276
3,000	1,150
54,700	42,338
<u>1,199,123</u>	<u>1,142,462</u>
<u>188,437</u>	<u>164,196</u>
1,387,560	1,306,658
<u>5,300,000</u>	<u>5,402,756</u>
<u>6,687,560</u>	<u>6,709,414</u>
-	351,271
-	-
<u>\$ -</u>	<u>\$ 351,271</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT
TOTAL BY GRANT
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	27013		20512	
	451-632		466-646	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 1,679	\$ 1,679	\$ 437,243	\$ 437,243
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>1,679</u>	<u>1,679</u>	<u>437,243</u>	<u>437,243</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Travel	178	178	-	-
Contracts	-	-	-	-
Other	1,501	1,501	-	-
Total direct expenses	<u>1,679</u>	<u>1,679</u>	<u>-</u>	<u>-</u>
Shared expenses applied	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	<u>1,679</u>	<u>1,679</u>	<u>-</u>	<u>-</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>437,243</u>	<u>437,243</u>
Total expenditures	<u>1,679</u>	<u>1,679</u>	<u>437,243</u>	<u>437,243</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

25813		27415		27313	
466-690		474-683		Pages 57-58	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 336,004	\$ 336,004	\$ 50,000	\$ 50,000	\$ 118,708	\$ 118,708
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>336,004</u>	<u>336,004</u>	<u>50,000</u>	<u>50,000</u>	<u>118,708</u>	<u>118,708</u>
76,091	76,091	-	-	29,122	29,122
27,006	27,006	-	-	10,763	10,763
1,681	1,681	-	-	802	802
-	-	-	-	-	-
1,820	1,820	-	-	689	689
<u>106,598</u>	<u>106,598</u>	<u>-</u>	<u>-</u>	<u>41,376</u>	<u>41,376</u>
<u>16,122</u>	<u>16,122</u>	<u>-</u>	<u>-</u>	<u>5,545</u>	<u>5,545</u>
122,720	122,720	-	-	46,921	46,921
<u>213,284</u>	<u>213,284</u>	<u>50,000</u>	<u>50,000</u>	<u>71,787</u>	<u>71,787</u>
<u>336,004</u>	<u>336,004</u>	<u>50,000</u>	<u>50,000</u>	<u>118,708</u>	<u>118,708</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 PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

	27213		27413	
	Pages 59-60		Pages 61-62	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 163,230	\$ 163,230	\$ 194,405	\$ 194,405
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	<u>163,230</u>	<u>163,230</u>	<u>194,405</u>	<u>194,405</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	1,451	1,451	90,702	90,702
Employee benefits	473	473	35,324	35,324
Travel	-	-	9,071	9,071
Contracts	-	-	-	-
Other	159	159	437	437
	<hr/>	<hr/>	<hr/>	<hr/>
Total direct expenses	2,083	2,083	135,534	135,534
Shared expenses applied	<u>227</u>	<u>227</u>	<u>18,534</u>	<u>18,534</u>
Sub-total expenditures	2,310	2,310	154,068	154,068
Sub-recipients/sub-grantees	<u>160,920</u>	<u>160,920</u>	<u>40,337</u>	<u>40,337</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	<u>163,230</u>	<u>163,230</u>	<u>194,405</u>	<u>194,405</u>
Excess revenues (expenditures) before transfers to (from)	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Transfers to (from)	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

27113		27014		27314	
Pages 63-64		Pages 65-66		Pages 67-68	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 373,808	\$ 373,808	\$ 12,762	\$ 12,762	\$ 462,518	\$ 462,518
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>373,808</u>	<u>373,808</u>	<u>12,762</u>	<u>12,762</u>	<u>462,518</u>	<u>462,518</u>
43,442	43,442	1,795	1,795	132,697	132,697
16,196	16,196	694	694	45,661	45,661
627	627	-	-	2,404	2,404
-	-	-	-	4,776	4,776
530	530	1,010	1,010	7,209	7,209
<u>60,795</u>	<u>60,795</u>	<u>3,499</u>	<u>3,499</u>	<u>192,747</u>	<u>192,747</u>
<u>8,311</u>	<u>8,311</u>	<u>381</u>	<u>381</u>	<u>28,738</u>	<u>28,738</u>
69,106	69,106	3,880	3,880	221,485	221,485
<u>304,702</u>	<u>304,702</u>	<u>8,882</u>	<u>8,882</u>	<u>241,033</u>	<u>241,033</u>
<u>373,808</u>	<u>373,808</u>	<u>12,762</u>	<u>12,762</u>	<u>462,518</u>	<u>462,518</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 PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

	27214		27414	
	Pages 69-70		Pages 71-72	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 81,373	\$ 81,373	\$ 532,385	\$ 532,385
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>81,373</u>	<u>81,373</u>	<u>532,385</u>	<u>532,385</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	28,948	28,948	121,553	121,553
Employee benefits	11,397	11,397	49,689	49,689
Travel	623	623	3,994	3,994
Contracts	48	48	11,534	11,534
Other	1,097	1,097	6,426	6,426
Total direct expenses	<u>42,113</u>	<u>42,113</u>	<u>193,196</u>	<u>193,196</u>
Shared expenses applied	<u>5,720</u>	<u>5,720</u>	<u>26,910</u>	<u>26,910</u>
Sub-total expenditures	47,833	47,833	220,106	220,106
Sub-recipients/sub-grantees	<u>33,540</u>	<u>33,540</u>	<u>312,279</u>	<u>312,279</u>
Total expenditures	<u>81,373</u>	<u>81,373</u>	<u>532,385</u>	<u>532,385</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

27114		Workforce Investment Act	
Pages 73-74		Totals	
Budget	Actual	Budget	Actual
\$ 619,036	\$ 619,036	\$ 3,383,151	\$ 3,383,151
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>619,036</u>	<u>619,036</u>	<u>3,383,151</u>	<u>3,383,151</u>
188,430	188,430	714,231	714,231
69,640	69,640	266,843	266,843
6,441	6,441	25,821	25,821
5,777	5,777	22,135	22,135
8,733	8,733	29,611	29,611
<u>279,021</u>	<u>279,021</u>	<u>1,058,641</u>	<u>1,058,641</u>
<u>41,023</u>	<u>41,023</u>	<u>151,511</u>	<u>151,511</u>
320,044	320,044	1,210,152	1,210,152
<u>298,992</u>	<u>298,992</u>	<u>2,172,999</u>	<u>2,172,999</u>
<u>619,036</u>	<u>619,036</u>	<u>3,383,151</u>	<u>3,383,151</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27313
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Adult		Dislocated Worker	
	452-632		452-634	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 30,393	\$ 30,393	\$ 88,315	\$ 88,315
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	30,393	30,393	88,315	88,315
EXPENDITURES:				
Direct Expenses:				
Salaries	10,245	10,245	18,877	18,877
Employee benefits	3,699	3,699	7,064	7,064
Travel	170	170	632	632
Contracts	-	-	-	-
Other	39	39	650	650
Total direct expenses	14,153	14,153	27,223	27,223
Shared expenses applied	1,957	1,957	3,588	3,588
Sub-total expenditures	16,110	16,110	30,811	30,811
Sub-recipients/sub-grantees	14,283	14,283	57,504	57,504
Total expenditures	30,393	30,393	88,315	88,315
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditor's report on and notes to supplementary information

Totals	
27313	
Budget	Actual
\$ 118,708	\$ 118,708
-	-
-	-
-	-
-	-
-	-
<u>118,708</u>	<u>118,708</u>
29,122	29,122
10,763	10,763
802	802
-	-
<u>689</u>	<u>689</u>
41,376	41,376
<u>5,545</u>	<u>5,545</u>
46,921	46,921
<u>71,787</u>	<u>71,787</u>
<u>118,708</u>	<u>118,708</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 - 27213
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Dislocated Worker		Rapid Response	
	453-634		453-639	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 4,120	\$ 4,120	\$ 159,110	\$ 159,110
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	<u>4,120</u>	<u>4,120</u>	<u>159,110</u>	<u>159,110</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	1,451	1,451	-	-
Employee benefits	473	473	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	159	159	-	-
Total direct expenses	<u>2,083</u>	<u>2,083</u>	<u>-</u>	<u>-</u>
Shared expenses applied	<u>227</u>	<u>227</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	<u>2,310</u>	<u>2,310</u>	<u>-</u>	<u>-</u>
Sub-recipients/sub-grantees	<u>1,810</u>	<u>1,810</u>	<u>159,110</u>	<u>159,110</u>
Total expenditures	<u>4,120</u>	<u>4,120</u>	<u>159,110</u>	<u>159,110</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report on and notes to supplementary information

Totals	
27213	
Budget	Actual
\$ 163,230	\$ 163,230
-	-
-	-
-	-
-	-
-	-
<u>163,230</u>	<u>163,230</u>
1,451	1,451
473	473
-	-
-	-
<u>159</u>	<u>159</u>
2,083	2,083
<u>227</u>	<u>227</u>
2,310	2,310
<u>160,920</u>	<u>160,920</u>
<u>163,230</u>	<u>163,230</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 -27413
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	In School Youth		Out of School Youth	
	454-633		454-636	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 98,165	\$ 98,165	\$ 96,240	\$ 96,240
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	98,165	98,165	96,240	96,240
EXPENDITURES:				
Direct Expenses:				
Salaries	57,404	57,404	33,298	33,298
Employee benefits	22,341	22,341	12,983	12,983
Travel	6,159	6,159	2,912	2,912
Contracts	-	-	-	-
Other	175	175	262	262
Total direct expenses	86,079	86,079	49,455	49,455
Shared expenses applied	11,871	11,871	6,663	6,663
Sub-total expenditures	97,950	97,950	56,118	56,118
Sub-recipients/sub-grantees	215	215	40,122	40,122
Total expenditures	98,165	98,165	96,240	96,240
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditor's report on and notes to supplementary information

Totals	
27413	
Budget	Actual
\$ 194,405	\$ 194,405
-	-
-	-
-	-
-	-
-	-
<u>194,405</u>	<u>194,405</u>
90,702	90,702
35,324	35,324
9,071	9,071
-	-
437	437
<u>135,534</u>	<u>135,534</u>
18,534	18,534
154,068	154,068
<u>40,337</u>	<u>40,337</u>
<u>194,405</u>	<u>194,405</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 PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Administration		Dislocated Worker	
	455-630		455-634	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 345	\$ 345	\$ 165,498	\$ 165,498
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	345	345	165,498	165,498
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	27,097	27,097
Employee benefits	-	-	10,203	10,203
Travel	247	247	327	327
Contracts	-	-	-	-
Other	98	98	432	432
Total direct expenses	345	345	38,059	38,059
Shared expenses applied	-	-	4,677	4,677
Sub-total expenditures	345	345	42,736	42,736
Sub-recipients/sub-grantees	-	-	122,762	122,762
Total expenditures	345	345	165,498	165,498
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditor's report on and notes to supplementary information

RRAA		Totals	
455-639		27113	
Budget	Actual	Budget	Actual
\$ 207,965	\$ 207,965	\$ 373,808	\$ 373,808
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>207,965</u>	<u>207,965</u>	<u>373,808</u>	<u>373,808</u>
16,345	16,345	43,442	43,442
5,993	5,993	16,196	16,196
53	53	627	627
-	-	-	-
-	-	530	530
<u>22,391</u>	<u>22,391</u>	<u>60,795</u>	<u>60,795</u>
<u>3,634</u>	<u>3,634</u>	<u>8,311</u>	<u>8,311</u>
26,025	26,025	69,106	69,106
<u>181,940</u>	<u>181,940</u>	<u>304,702</u>	<u>304,702</u>
<u>207,965</u>	<u>207,965</u>	<u>373,808</u>	<u>373,808</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT -27014
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Admin		Adult	
	461-630		461-632	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 1,010	\$ 1,010	\$ 11,752	\$ 11,752
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	<u>1,010</u>	<u>1,010</u>	<u>11,752</u>	<u>11,752</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	1,795	1,795
Employee benefits	-	-	694	694
Travel	-	-	-	-
Contracts	-	-	-	-
Other	1,010	1,010	-	-
Total direct expenses	<u>1,010</u>	<u>1,010</u>	<u>2,489</u>	<u>2,489</u>
Shared expenses applied	<u>-</u>	<u>-</u>	<u>381</u>	<u>381</u>
Sub-total expenditures	<u>1,010</u>	<u>1,010</u>	<u>2,870</u>	<u>2,870</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>8,882</u>	<u>8,882</u>
Total expenditures	<u>1,010</u>	<u>1,010</u>	<u>11,752</u>	<u>11,752</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report on and notes to supplementary information

Totals	
27014	
Budget	Actual
\$ 12,762	\$ 12,762
-	-
-	-
-	-
-	-
-	-
<u>12,762</u>	<u>12,762</u>
1,795	1,795
694	694
-	-
-	-
<u>1,010</u>	<u>1,010</u>
3,499	3,499
<u>381</u>	<u>381</u>
3,880	3,880
<u>8,882</u>	<u>8,882</u>
<u>12,762</u>	<u>12,762</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 - 27314
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Admin		Adult	
	462-630		462-632	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 42,181	\$ 42,181	\$ 348,347	\$ 348,347
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	42,181	42,181	348,347	348,347
EXPENDITURES:				
Direct Expenses:				
Salaries	27,911	27,911	104,786	104,786
Employee benefits	7,986	7,986	37,675	37,675
Travel	539	539	1,865	1,865
Contracts	-	-	-	-
Other	170	170	1,078	1,078
Total direct expenses	36,606	36,606	145,404	145,404
Shared expenses applied	5,575	5,575	23,163	23,163
Sub-total expenditures	42,181	42,181	168,567	168,567
Sub-recipients/sub-grantees	-	-	179,780	179,780
Total expenditures	42,181	42,181	348,347	348,347
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditor's report on and notes to supplementary information

Dislocated Worker		Totals	
462-634		27314	
Budget	Actual	Budget	Actual
\$ 71,990	\$ 71,990	\$ 462,518	\$ 462,518
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>71,990</u>	<u>71,990</u>	<u>462,518</u>	<u>462,518</u>
-	-	132,697	132,697
-	-	45,661	45,661
-	-	2,404	2,404
4,776	4,776	4,776	4,776
5,961	5,961	7,209	7,209
<u>10,737</u>	<u>10,737</u>	<u>192,747</u>	<u>192,747</u>
-	-	<u>28,738</u>	<u>28,738</u>
10,737	10,737	221,485	221,485
<u>61,253</u>	<u>61,253</u>	<u>241,033</u>	<u>241,033</u>
<u>71,990</u>	<u>71,990</u>	<u>462,518</u>	<u>462,518</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT -27214
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Admin		Dislocated Worker	
	463-630		463-634	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 5,950	\$ 5,950	\$ 75,423	\$ 75,423
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	5,950	5,950	75,423	75,423
EXPENDITURES:				
Direct Expenses:				
Salaries	3,402	3,402	25,546	25,546
Employee benefits	1,106	1,106	10,291	10,291
Travel	-	-	623	623
Contracts	48	48	-	-
Other	815	815	282	282
Total direct expenses	5,371	5,371	36,742	36,742
Shared expenses applied	486	486	5,234	5,234
Sub-total expenditures	5,857	5,857	41,976	41,976
Sub-recipients/sub-grantees	93	93	33,447	33,447
Total expenditures	5,950	5,950	75,423	75,423
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditor's report on and notes to supplementary information

Totals	
27214	
Budget	Actual
\$ 81,373	\$ 81,373
-	-
-	-
-	-
-	-
-	-
<u>81,373</u>	<u>81,373</u>
28,948	28,948
11,397	11,397
623	623
48	48
1,097	1,097
<u>42,113</u>	<u>42,113</u>
5,720	5,720
<u>47,833</u>	<u>47,833</u>
33,540	33,540
<u>81,373</u>	<u>81,373</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 -27414
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	In School Youth		Out of School Youth	
	464-633		464-636	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 186,291	\$ 186,291	\$ 346,094	\$ 346,094
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	<u>186,291</u>	<u>186,291</u>	<u>346,094</u>	<u>346,094</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	45,564	45,564	75,989	75,989
Employee benefits	18,803	18,803	30,886	30,886
Travel	181	181	3,813	3,813
Contracts	5,767	5,767	5,767	5,767
Other	2,256	2,256	4,170	4,170
Total direct expenses	<u>72,571</u>	<u>72,571</u>	<u>120,625</u>	<u>120,625</u>
Shared expenses applied	<u>10,023</u>	<u>10,023</u>	<u>16,887</u>	<u>16,887</u>
Sub-total expenditures	<u>82,594</u>	<u>82,594</u>	<u>137,512</u>	<u>137,512</u>
Sub-recipients/sub-grantees	<u>103,697</u>	<u>103,697</u>	<u>208,582</u>	<u>208,582</u>
Total expenditures	<u>186,291</u>	<u>186,291</u>	<u>346,094</u>	<u>346,094</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report on and notes to supplementary information

Totals	
27414	
Budget	Actual
\$ 532,385	\$ 532,385
-	-
-	-
-	-
-	-
-	-
<u>532,385</u>	<u>532,385</u>
121,553	121,553
49,689	49,689
3,994	3,994
11,534	11,534
6,426	6,426
<u>193,196</u>	<u>193,196</u>
26,910	26,910
<u>220,106</u>	<u>220,106</u>
312,279	312,279
<u>312,279</u>	<u>312,279</u>
<u>532,385</u>	<u>532,385</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 -27114
PERIOD PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Admin		Dislocated Worker	
	465-630		465-634	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 50,072	\$ 50,072	\$ 568,964	\$ 568,964
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	50,072	50,072	568,964	568,964
EXPENDITURES:				
Direct Expenses:				
Salaries	24,638	24,638	163,792	163,792
Employee benefits	8,091	8,091	61,549	61,549
Travel	1,054	1,054	5,387	5,387
Contracts	5,777	5,777	-	-
Other	5,074	5,074	3,659	3,659
Total direct expenses	44,634	44,634	234,387	234,387
Shared expenses applied	5,438	5,438	35,585	35,585
Sub-total expenditures	50,072	50,072	269,972	269,972
Sub-recipients/sub-grantees	-	-	298,992	298,992
Total expenditures	50,072	50,072	568,964	568,964
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

See independent auditor's report on and notes to supplementary information

Totals	
27114	
Budget	Actual
\$ 619,036	\$ 619,036
-	-
-	-
-	-
-	-
-	-
<u>619,036</u>	<u>619,036</u>
188,430	188,430
69,640	69,640
6,441	6,441
5,777	5,777
8,733	8,733
<u>279,021</u>	<u>279,021</u>
41,023	41,023
<u>320,044</u>	<u>320,044</u>
298,992	298,992
<u>619,036</u>	<u>619,036</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, 2013 TO JUNE 30, 2014**

Work Element	Commodities		Commodities	
	318-615		325-618	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 55,000	\$ 53,560	\$ 90,000	\$ 67,825
State	-	-	-	-
Federal commodities	-	-	525,000	581,566
Local funds applied	-	-	-	-
Interest income	-	-	-	95
Local revenue	-	-	-	-
Total revenues	55,000	53,560	615,000	649,486
EXPENDITURES:				
Direct Expenses:				
Salaries	13,540	14,604	49,662	36,765
Employee benefits	5,566	5,944	15,549	11,749
Travel	4,000	1,652	-	1,187
Contracts	27,000	26,161	12,000	9,839
Other	1,863	2,129	2,445	828
Total direct expenses	51,969	50,490	79,656	60,368
Shared expenses applied	3,031	3,070	10,344	7,552
Sub-total expenditures	55,000	53,560	90,000	67,920
Sub-recipients/sub-grantees	-	-	525,000	581,566
Total expenditures	55,000	53,560	615,000	649,486
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Commodities	
Totals	
Budget	Actual
\$ 145,000	\$ 121,385
-	-
525,000	581,566
-	-
-	95
-	-
<u>670,000</u>	<u>703,046</u>
63,202	51,369
21,115	17,693
4,000	2,839
39,000	36,000
4,308	2,957
<u>131,625</u>	<u>110,858</u>
<u>13,375</u>	<u>10,622</u>
145,000	121,480
<u>525,000</u>	<u>581,566</u>
<u>670,000</u>	<u>703,046</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
SUPPORTIVE HOUSING
PERIOD OF PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Rural Case Management Administration		Rural Case Management	
	329-690		329-691	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 858	\$ 646	\$ 24,502	\$ 10,768
State	10,000	9,940	-	-
Local funds applied	-	-	-	-
Match - In kind	-	-	6,126	3,078
Local revenue	-	-	-	-
Total revenues	<u>10,858</u>	<u>10,586</u>	<u>30,628</u>	<u>13,846</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	6,913	6,797	-	-
Employee benefits	2,508	2,457	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	<u>9,421</u>	<u>9,254</u>	<u>-</u>	<u>-</u>
Shared expenses applied	<u>1,437</u>	<u>1,332</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	<u>10,858</u>	<u>10,586</u>	<u>-</u>	<u>-</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>30,628</u>	<u>13,846</u>
Total expenditures	<u>10,858</u>	<u>10,586</u>	<u>30,628</u>	<u>13,846</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Planks I Administration		Planks I Program		Supportive Housing	
329-692		329-693		Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 15,032	\$ 15,032	\$ 434,214	\$ 421,101	\$ 474,606	\$ 447,547
10,000	10,000	-	-	20,000	19,940
-	-	-	-	-	-
-	-	65,485	62,657	71,611	65,735
-	-	-	-	-	-
<u>25,032</u>	<u>25,032</u>	<u>499,699</u>	<u>483,758</u>	<u>566,217</u>	<u>533,222</u>
11,999	14,860	-	-	18,912	21,657
4,310	5,288	-	-	6,818	7,745
325	251	-	-	325	251
-	70	-	-	-	70
<u>5,811</u>	<u>1,469</u>	<u>-</u>	<u>-</u>	<u>5,811</u>	<u>1,469</u>
22,445	21,938	-	-	31,866	31,192
<u>2,587</u>	<u>3,094</u>	<u>-</u>	<u>-</u>	<u>4,024</u>	<u>4,426</u>
25,032	25,032	-	-	35,890	35,618
-	-	499,699	483,758	530,327	497,604
<u>25,032</u>	<u>25,032</u>	<u>499,699</u>	<u>483,758</u>	<u>566,217</u>	<u>533,222</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, 2013 TO JUNE 30, 2014**

Work Element	Revolving Loan Admin.		Revolving Loan	
	180-712		180-713	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ (6,306)	\$ (6,306)
State	-	-	-	-
Local funds applied	-	10,935	-	-
Interest income	17,000	14,714	6,306	6,306
Total revenues	<u>17,000</u>	<u>25,649</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	9,988	13,753	-	-
Employee benefits	3,950	5,473	-	-
Travel	200	92	-	-
Contracts	-	1,807	-	-
Other	651	1,498	-	-
Total direct expenses	<u>14,789</u>	<u>22,623</u>	<u>-</u>	<u>-</u>
Shared expenses applied	<u>2,211</u>	<u>3,026</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	<u>17,000</u>	<u>25,649</u>	<u>-</u>	<u>-</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>17,000</u>	<u>25,649</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Loan Program	
Totals	
Budget	Actual
\$ (6,306)	\$ (6,306)
-	-
-	10,935
23,306	21,020
<u>17,000</u>	<u>25,649</u>
9,988	13,753
3,950	5,473
200	92
-	1,807
651	1,498
<u>14,789</u>	<u>22,623</u>
2,211	3,026
17,000	25,649
-	-
<u>17,000</u>	<u>25,649</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
JOINT FUNDING ADMINISTRATION
PERIOD OF PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Economic Development		CDBG	
	150-120		150-125	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 62,900	\$ 62,900	\$ 22,000	\$ 22,000
State	15,750	15,750	22,000	22,000
Local funds applied	-	-	-	-
Interest income	-	-	-	-
Total revenues	78,650	78,650	44,000	44,000
EXPENDITURES:				
Direct Expenses:				
Salaries	47,070	47,751	26,696	27,041
Employee benefits	19,307	18,653	10,445	10,100
Travel	1,000	1,635	888	1,163
Contracts	-	-	-	-
Other	1,317	639	400	81
Total direct expenses	68,694	68,678	38,429	38,385
Shared expenses applied	9,956	9,972	5,571	5,615
Sub-total expenditures	78,650	78,650	44,000	44,000
Sub-recipients/sub-grantees	-	-	-	-
Total expenditures	78,650	78,650	44,000	44,000
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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	\$ 85,400	\$ 85,400
136,040	136,040	2,000	2,000	175,790	175,790
-	-	-	-	-	-
-	-	-	-	-	-
136,040	136,040	2,500	2,500	261,190	261,190
82,297	79,662	1,434	1,549	157,497	156,003
32,056	31,453	541	593	62,349	60,799
3,084	5,705	-	-	4,972	8,503
-	-	-	-	-	-
1,450	2,291	229	-	3,396	3,011
118,887	119,111	2,204	2,142	228,214	228,316
17,153	16,929	296	358	32,976	32,874
136,040	136,040	2,500	2,500	261,190	261,190
-	-	-	-	-	-
136,040	136,040	2,500	2,500	261,190	261,190
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER FEDERAL CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Ky Works		PCW Social Innovation Fund	
	112-674		113-740	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 951,958	\$ 812,636	\$ 17,857	\$ 17,857
State	-	-	-	-
Local funds applied	-	348	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	951,958	812,984	17,857	17,857
EXPENDITURES:				
Direct Expenses:				
Salaries	384,116	343,241	1,721	1,721
Employee benefits	134,441	138,613	723	723
Travel	39,000	22,686	299	299
Contracts	61,000	61,079	-	-
Other	53,000	47,659	1,226	1,226
Total direct expenses	671,557	613,278	3,969	3,969
Shared expenses applied	66,000	74,208	406	406
Sub-total expenditures	737,557	687,486	4,375	4,375
Sub-recipients/sub-grantees	214,401	125,498	13,482	13,482
Total expenditures	951,958	812,984	17,857	17,857
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

KADIS		NKY Transportation Planning		Brownfield RLF	
155-825		170-663		181-712	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 35,244	\$ 35,244	\$ 13,000	\$ 13,000	\$ 47,810	\$ 47,810
4,650	4,661	-	-	-	-
4,150	4,150	3,250	3,250	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>44,044</u>	<u>44,055</u>	<u>16,250</u>	<u>16,250</u>	<u>47,810</u>	<u>47,810</u>
24,249	26,912	9,675	10,238	7,227	7,227
9,832	10,669	3,582	2,411	2,862	2,862
4,564	369	-	6	240	240
-	-	-	-	32,907	32,907
-	-	890	1,640	3,055	3,055
<u>38,645</u>	<u>37,950</u>	<u>14,147</u>	<u>14,295</u>	<u>46,291</u>	<u>46,291</u>
<u>5,399</u>	<u>6,105</u>	<u>2,103</u>	<u>1,955</u>	<u>1,519</u>	<u>1,519</u>
44,044	44,055	16,250	16,250	47,810	47,810
-	-	-	-	-	-
<u>44,044</u>	<u>44,055</u>	<u>16,250</u>	<u>16,250</u>	<u>47,810</u>	<u>47,810</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, 2013 TO JUNE 30, 2014**

Work Element	Home Tennant-Based Rental 329-698		Other Federal Contracts Totals	
	Budget	Actual	Budget	Actual
	REVENUES:			
Federal	\$ 55,000	\$ 19,477	\$ 1,120,869	\$ 946,024
State	-	-	4,650	4,661
Local funds applied	-	-	7,400	7,748
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>55,000</u>	<u>19,477</u>	<u>1,132,919</u>	<u>958,433</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	554	-	427,542	389,339
Employee benefits	201	-	151,641	155,278
Travel	-	-	44,103	23,600
Contracts	-	-	93,907	93,986
Other	-	-	58,171	53,580
Total direct expenses	<u>755</u>	<u>-</u>	<u>775,364</u>	<u>715,783</u>
Shared expenses applied	<u>175</u>	<u>-</u>	<u>75,602</u>	<u>84,193</u>
Sub-total expenditures	<u>930</u>	<u>-</u>	<u>850,966</u>	<u>799,976</u>
Sub-recipients/sub-grantees	<u>54,070</u>	<u>19,477</u>	<u>281,953</u>	<u>158,457</u>
Total expenditures	<u>55,000</u>	<u>19,477</u>	<u>1,132,919</u>	<u>958,433</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

THIS PAGE IS LEFT BLANK INTENTIONALLY.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER STATE CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	Public Transit		Transportation Planning	
	154-154		170-660	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	18,048	18,048	78,067	78,067
Local funds applied	-	-	8,695	8,673
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>18,048</u>	<u>18,048</u>	<u>86,762</u>	<u>86,740</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	50,242	52,124
Employee benefits	-	-	20,262	20,985
Travel	-	-	2,175	1,910
Contracts	18,048	18,048	-	-
Other	-	-	2,900	459
Total direct expenses	<u>18,048</u>	<u>18,048</u>	<u>75,579</u>	<u>75,478</u>
Shared expenses applied	<u>-</u>	<u>-</u>	<u>11,183</u>	<u>11,262</u>
Sub-total expenditures	<u>18,048</u>	<u>18,048</u>	<u>86,762</u>	<u>86,740</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>18,048</u>	<u>18,048</u>	<u>86,762</u>	<u>86,740</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

KYTC Centerline 171-973		KIA 172-952		Homeland Security 173-947	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
23,200	23,185	90,000	90,000	34,174	34,174
-	183	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
23,200	23,368	90,000	90,000	34,174	34,174
14,737	14,483	53,382	50,442	4,592	3,946
4,996	5,474	20,077	18,796	1,672	1,457
1,000	378	1,339	3,306	942	4
-	-	-	-	-	-
1,431	-	3,550	6,422	25,974	27,940
22,164	20,335	78,348	78,966	33,180	33,347
1,036	3,033	11,652	11,034	994	827
23,200	23,368	90,000	90,000	34,174	34,174
-	-	-	-	-	-
23,200	23,368	90,000	90,000	34,174	34,174
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER STATE CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2013 TO JUNE 30, 2014**

Work Element	SCL2/PDS Services		TBI	
	234-552		334-554	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	29,520	29,520	1,013	466
Local funds applied	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>29,520</u>	<u>29,520</u>	<u>1,013</u>	<u>466</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	348	258
Employee benefits	-	-	120	90
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	471	81
Total direct expenses	-	-	939	429
Shared expenses applied	-	-	74	37
Sub-total expenditures	-	-	1,013	466
Sub-recipients/sub-grantees	<u>29,520</u>	<u>29,520</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>29,520</u>	<u>29,520</u>	<u>1,013</u>	<u>466</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Other State Contracts Totals	
Budget	Actual
\$ -	\$ -
274,022	273,460
8,695	8,856
-	-
-	-
<u>282,717</u>	<u>282,316</u>
123,301	121,253
47,127	46,802
5,456	5,598
18,048	18,048
34,326	34,902
<u>228,258</u>	<u>226,603</u>
24,939	26,193
253,197	252,796
29,520	29,520
<u>282,717</u>	<u>282,316</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, 2013 TO JUNE 30, 2014**

Work Element	General Administration		Human Services Division	
	Various		Various	
	Budget	Actual	Budget	Actual
REVENUES:				
Local funds applied	\$ -	\$ (90,151)	\$ -	\$ -
Interest income	-	604	23	23
Local revenue	-	84,723	377,041	358,454
Local contributions	160,000	164,927	-	-
Total revenues	<u>160,000</u>	<u>160,103</u>	<u>377,064</u>	<u>358,477</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	28,855	32,243
Employee benefits	-	-	10,772	11,703
Travel	-	14,049	6,456	2,253
Contracts	-	-	-	-
Other	55,500	115,722	55,969	36,349
Total direct expenses	<u>55,500</u>	<u>129,771</u>	<u>102,052</u>	<u>82,548</u>
Shared expenses applied	<u>-</u>	<u>-</u>	<u>6,291</u>	<u>7,208</u>
Sub-total expenditures	<u>55,500</u>	<u>129,771</u>	<u>108,343</u>	<u>89,756</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>268,721</u>	<u>268,721</u>
Total expenditures	<u>55,500</u>	<u>129,771</u>	<u>377,064</u>	<u>358,477</u>
Excess revenues (expenditures) before transfers to (from)	<u>104,500</u>	<u>30,332</u>	<u>-</u>	<u>-</u>
Transfers to (from): From #320-301	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ 104,500</u>	<u>\$ 30,332</u>	<u>\$ -</u>	<u>\$ -</u>

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

Development Services Division		Public Administration Services Division		Case Management Division	
Various		Various		Various	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ 17,630	\$ -	\$ 22,329	\$ -	\$ -
-	-	-	-	-	-
221,641	178,678	67,610	65,197	199,517	166,179
-	-	-	-	-	-
<u>221,641</u>	<u>196,308</u>	<u>67,610</u>	<u>87,526</u>	<u>199,517</u>	<u>166,179</u>
96,011	104,276	17,521	25,257	112,057	99,251
36,381	39,267	5,171	8,260	48,424	41,517
6,734	4,061	500	1,276	5,151	2,482
12,000	15,880	-	-	-	-
48,676	10,958	41,903	48,382	8,431	1,584
199,802	174,442	65,095	83,175	174,063	144,834
21,839	21,866	2,515	4,351	25,454	21,345
221,641	196,308	67,610	87,526	199,517	166,179
-	-	-	-	-	-
<u>221,641</u>	<u>196,308</u>	<u>67,610</u>	<u>87,526</u>	<u>199,517</u>	<u>166,179</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, 2013 TO JUNE 30, 2014**

Work Element	Other Local Contracts	
	Totals	
	Budget	Actual
REVENUES:		
Local funds applied	\$ -	\$ (50,192)
Interest income	23	627
Local revenue	865,809	853,231
Local contributions	160,000	164,927
	Total revenues	968,593
EXPENDITURES:		
Direct Expenses:		
Salaries	254,444	261,027
Employee benefits	100,748	100,747
Travel	18,841	24,121
Contracts	12,000	15,880
Other	210,479	212,995
	Total direct expenses	614,770
	Shared expenses applied	54,770
	Sub-total expenditures	669,540
	Sub-recipients/sub-grantees	268,721
	Total expenditures	938,261
	Excess revenues (expenditures) before transfers to (from)	30,332
	Transfers to (from): From #320-301	-
	Excess revenues (expenditures)	\$ 30,332
	\$ 104,500	\$ 30,332

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF ALLOCATED COSTS CLAIMED
YEAR ENDED JUNE 30, 2014**

	<u>Costs Claimed</u>
Shared Expenses:	
Salaries	\$ 79,403
Employee benefits	22,889
Travel	19,848
Contractual	73,187
Other	
Financing costs	72,727
Miscellaneous	62,274
Depreciation	51,872
Insurance	183,930
Postage	11,219
Telephone	12,026
Consumable supplies	29,623
Utilities	27,343
Computer software and hardware	16,292
Janitor service	10,805
Organizational dues	2,489
Registration	3,438
Marketing and advertising	944
Total other	484,982
Total shared expenses	680,309
Shared expenses allocated (1)	(680,309)
Shared expenses over applied	\$ -

Explanatory Notes:

- (1) Shared costs are distributed on the basis of total direct salaries and employee fringe benefits. The total shared expenses allocated is approximately 15% 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, 2014**

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 Helping Hands, Saint Charles Care Center, Campbell County Fiscal Court, RC Durr YMCA, PurFood LLC (MOMS Meals), 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
Helping Hands
Saint Charles Care Center
Interim Healthcare
PurFood LLC (MOMS Meals)
Wesley Community Service

Supportive Housing

Women's Crisis Center
NorthKey
BAWAC
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, 2014, 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 February 26, 2015.

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 February 26, 2015.

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
February 26, 2015

**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, 2014. 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, 2014.

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 2014-1 and 2014-2. 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.

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.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-1 and 2014-2 to be significant deficiencies.

Northern Kentucky Area Development District's response to the internal control over compliance 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.

We also noted certain matters that we reported to management of the Northern Kentucky Area Development District, in a separate letter dated February 26, 2015.

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
February 26, 2015

REQUIRED SUPPLEMENTARY INFORMATION

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number
U. S. Department of Agriculture		
Passed through Commonwealth of Kentucky Department of Agriculture		
Food Distribution Cluster		
Commodity Supplemental Food Program	10.565	PON2-03512000025531
CASH:		
The Emergency Food Assistance Program (Administration)	10.568	PON2-03512000025411
NONCASH:		
The Emergency Food Assistance Program (Food Commodities)	10.569	PON2-03512000025411
Sub-total for U.S. Department of Agriculture		
U. S. Department of Commerce		
Passed through Governors Office of Local Development:		
Economic Development Administration - 301B	11.302	PON2-1400000411
Economic Adjustment Assistance-		
Revolving loan fund	11.307	04-19-59014
Kentucky Agriculture Department Information Systems	11.307	04-79-06751
Sub-total for U.S. Department of Commerce		
U. S. Department of Housing and Urban Development		
Passed through Kentucky Housing Corporation:		
Supportive Housing (Planks I)	14.235	CC13-0143-01
Supportive Housing (Rural Case Management)	14.235	CC12-0143-02
Sub-total		
Passed through Governors Office of Local Development:		
Community Development Block Grant	14.228	PON2-1400000411
Home Tenant-Based Rental Assistance	14.239	TB12-0143-01
Sub-total for U.S. Department of Housing and Urban Development		
U. S. Department of Labor		
Passed through Kentucky Cabinet for Workforce Development		
Workforce Investment Act Cluster:		
Workforce Investment Act - Adult Program	17.258	27014
Workforce Investment Act - Adult Program	17.258	27314
Workforce Investment Act - Adult Program	17.258	27013
Workforce Investment Act - Adult Program	17.258	27313
Workforce Investment Act - Youth Activities	17.259	27413
Workforce Investment Act - Youth Activities	17.259	27414
Workforce Investment Act - Impact Award	17.259	27415

<u>Program Award Amounts</u>	<u>Federal Expenditures</u>
\$ 75,000	\$ 53,560
100,000	67,825
	581,566
	702,951
63,400	63,400
500,000	438,956
50,400	35,244
	537,600
449,246	436,133
25,360	11,414
	447,547
22,000	22,000
55,000	19,477
	489,024
14,481	12,762
613,274	462,518
57,455	1,679
617,925	118,708
670,847	194,405
650,280	532,385
50,000	50,000

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number
Passed through Kentucky Cabinet for Workforce Development (continued)		
Workforce Investment Act Cluster (continued):		
Workforce Investment Act - Dislocated Workers	17.278	27214
Workforce Investment Act - Dislocated Workers	17.278	27114
Workforce Investment Act - Dislocated Workers	17.278	27213
Workforce Investment Act - Dislocated Workers	17.278	27113
Sub-total for Workforce Investment Act Cluster		
Workforce Investment Act - National Emergency Grant	17.277	25813
Trade Adjustment Assistance	17.245	20512
Sub-total for U.S. Department of Labor		
U. S. Transportation Department		
Kentucky Transportation Planning	20.505	G04S404Z
Sub-total for U.S. Transportation Department		
U. S. Environmental Protection Agency		
Brownfields RLF Program	66.818	95498512
Sub-total for U.S. Environmental Protection Agency		
U. S. Department of Health and Human Services		
Passed through Kentucky Cabinet for Health and Family Services:		
Aging Cluster:		
Title III, Part B Support Services	93.044	PON2-725 1300002010 1
Title III, Part B Support Services (Administration)	93.044	PON2-725 1300002010 1
Title III, Part C Nutrition Services	93.045	PON2-725 1300002010 1
Title III, Part C Nutrition Services	93.045	PON2-725 1300002010 1
Nutrition Services Incentive Program, NSIP	93.053	PON2-725 1300002010 1
Sub-total for Aging Cluster		
Title VII, Elder Abuse Prevention	93.041	PON2-725 1300002010 1
Title VII, Ombudsman	93.042	PON2-725 1300002010 1
Title VII, Ombudsman Education	93.042	PON2-725 1300002010 1
Title III, Part E Family Caregiver Support (Administration)	93.052	PON2-725 1300002010 1
Title III, Part E Family Caregiver Support	93.052	PON2-725 1300002010 1
Title III, Part D Preventive Health	93.043	PON2-725 1300002010 1
Centers for Medicare & Medicaid Services, CMS - (SHIP)	93.779	PON2-725 1300002031 1
Title IV & Title II Discretionary Projects - ADRC	93.048	PON2-725 1300002031 1
Improving Arthritis Outcomes	93.945	PON2-725 1300002031 1
Functional Assessment Service Terms	93.069	PON2-725 1300002031 1
Chronic Disease Self Management Education	93.725	PON2-725 1300002031 1
MIPPA AAA	93.071	PON2-725 1300002031 1
MIPPA ADRC	93.071	PON2-725 1300002031 1
HBE	93.945	PON2-725 1300002031 1
Temporary Assistance for Needy Families - KY Works	93.558	PON2-736100001484-1
Sub-total for U.S. Department of Health and Human Services		
Corporation for National and Community Services		
PCW Social Innovation Fund	94.019	UW-PCW-EF
Total Federal Expenditures		
Total Federal Expenditures - Cash		
Total Federal Expenditures - Non-cash		

Program Award Amounts	Federal Expenditures
82,064	\$ 81,373
765,371	619,036
163,230	163,230
1,087,693	<u>373,808</u>
	2,609,904
1,336,574	336,004
450,000	<u>437,243</u>
	3,383,151
13,000	<u>13,000</u>
	13,000
850,000	<u>47,810</u>
	47,810
394,630	375,216
97,117	83,557
246,090	242,109
213,918	196,149
94,141	<u>94,141</u>
	991,172
5,002	4,995
8,780	8,780
9,000	7,213
12,855	12,446
126,119	124,013
20,607	20,600
55,841	55,841
9,300	9,300
43,500	41,918
3,000	2,117
9,553	4,672
14,170	14,170
6,955	6,302
103,984	24,535
951,958	<u>812,636</u>
	2,140,710
18,000	17,857
	<u>\$ 7,332,103</u>
	<u>\$ 6,750,537</u>
	<u>\$ 581,566</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

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 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

NKADD 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	\$ 581,566 (F)
Nutrition Services Incentive Program, NSIP	93.053	94,141 (F)
Supportive Housing	14.235	431,869 (F/S)
Workforce Investment Act	17.245, 17.258, 17.259, 17.277, 17.278	2,172,999 (F/S)
Title VII, Elder Abuse Prevention	93.041	4,995 (F)
Title VII, Ombudsman	93.042	8,780 (F)
Title III, Part B Support Services	93.044	497,589 (F/S)
Title III, Part C Nutrition Services	93.045	484,904 (F/S)
Title III, Part E Caregiver Support	93.052	79,055 (F/S)
Title III, Part D Preventive Health	93.043	20,000 (F/S)
Home Tenant-Based Rental Assistance Centers for Medicare and Medicaid Services, CMS - SHIP	14.239 93.779	19,477 (F) 53,390 (F)
MIPPA AAA & ADRC	93.071	14,171 (F)
Social Innovation Fund, PCW Exchange	94.019	13,482 (F)
Temporary Assistance for Needy Families – KY Works	93.558	<u>125,498 (F)</u>
Total		<u>\$4,601,916</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2014**

NOTE 4 - REVOLVING LOAN FUND CALCULATION

Balance of loans outstanding	\$300,173
Plus: Cash and investment balance	161,174
Plus: Administrative expenses	14,714
Less: Loans written off during the fiscal year	<u>(37,105)</u>
Subtotal	438,956
Multiplied by federal share of initial capitalization	<u>100%</u>
Total	<u>\$438,956</u>

NOTE 5 - RECONCILIATION OF FEDERAL REVENUES

Statement of Revenues, Expenditures and Changes in Fund Balance (page 10)	
Federal Revenues	\$6,776,375
Less: CDO (Federal Medicaid)	(471,100)
Adjustment for Revolving Loan Fund	
Amount reported on page 10	6,306
Amount reported on page 103	<u>438,956</u>
Federal Expenditures - Cash	
Schedule of Expenditures of Federal Awards (page 104)	<u>\$6,750,537</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS	
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
FEDERAL AWARDS	
Were there any material weaknesses reported for major federal programs?	No
Were there any control deficiencies identified, not considered to be material weaknesses reported for major programs?	Yes
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], Workforce Investment Act Cluster [CFDA 17.258, 17.259, 17.278] Food Distribution Cluster [CFDA 10.565, 10.568, 10.569], Economic Adjustment Assistance [CFDA 11.307]
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, 2014
(Continued)**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Compliance and Other Matters

Item 2014-1

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 five out of seven 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 the findings.

Item 2014-2

Emergency Food Assistance Program – CFDA 10.568 and CFDA 10.569

Criteria: Accurate and complete records must be maintained with respect to the receipt, distribution/use, and inventory of USDA foods, including ending products processed from USDA foods.

Condition: During the testing of the monthly USDA inventory reports, three months were selected and noted that the ending inventory values per the physical count did not agree to the monthly USDA inventory reports. Additionally, it was noted that the total pounds distributed did not agree to the totals of the signed warehouse order/pick documents for the months tested.

Effect: As the ending inventory per the monthly USDA inventory reports did not agree to the physical count, we were unable to determine if the inventory adjustments or losses were reasonable. Additionally, as the pounds distributed did not agree to the total per the signed warehouse order/pick documents for the months tested, the incorrect amounts were requested for reimbursement.

Recommendation: The Northern Kentucky Area Development District should review their current procedures surrounding inventory control for the Northern Kentucky Food Bank to ensure compliance with the accountability of USDA Foods.

Managements' Response: The Northern Kentucky Area Development District will review its policies and procedures. Steps have already been taken to segregate duties in support of this program to create checks and balances among staff.

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

PRIOR YEAR - FINANCIAL STATEMENT FINDINGS

None

PRIOR YEAR - 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 subcontractor was notified as soon as the error was discovered.

Current Status: The Supportive Housing program was tested in the current year as a major program and the same finding will be presented in the current year there were five instances out of the seven tested where cash was disbursed after the drawdown request was made and the money was received.

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.

**NORTHERN KENTUCKY AREA DISTRICT DEVELOPMENT
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014
(Continued)**

Effect: The cash management procedures for the item noted was not met for the Brownsfield 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, the Northern Kentucky Area Development District 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.

Current Status: After the finding was presented with the prior year audit, the project manager responsible for the Brownsfield Assessment has left the Organization and the practice for cash management has been appropriately modified.