

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2015

WITH

Independent Auditors' Reports

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2015

WITH

Independent Auditors' Reports

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NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

Year Ended June 30, 2015

WITH

Independent Auditors' Reports

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Northern Kentucky Area Development District as of and for the year ended June 30, 2015, 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, 2015, 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, budgetary comparison information, and pension schedules on pages 1 through 5 and 23 through 26, 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 March 2, 2016, 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, 2015**

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, 2015. Please read it in conjunction with the NKADD's financial statements, which begin on page 6.

FINANCIAL HIGHLIGHTS

- At the close of the fiscal year, the NKADD's net position was a negative \$(1,039,788), an increase of \$394,763 or 27.52% from FY 2014 restated net position.
- In the governmental funds, total revenues during the fiscal year decreased by \$337,875, and total expenditures decreased by \$373,333.
- At the close of the fiscal year, the NKADD's governmental fund balance was \$3,967,044 a decrease of \$18,466 from June 30, 2014.

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.

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.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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.

FINANCIAL ANALYSIS OF THE NKADD AS A WHOLE

The total net position serves over time as an indicator of an organization's financial position. In the case of the NKADD, liabilities and deferred inflows exceeded assets and deferred outflows by \$1,039,788. The restated beginning net position was a negative \$(1,434,551). The unrestricted net position as of June 30, 2015 was a negative \$(1,627,076). As shown in the Statement of Net Position, the FY 2014 amounts have been restated to reflect the effects of the prior period adjustment described in Note 10 to the basic financial statements related to the adoption of Government Accounting Standards Board Statement Nos. 68 and 71.

Total governmental funds revenue for the period ending June 30, 2015 was \$17,727,423. For the previous fiscal year, the total revenue was \$18,065,298. This results in a 1.87% decrease in revenues. The net decrease in revenues for FY 2015 is due to slight changes across multiple programs.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

**Table 1
Net Position**

	<u>FY '15</u>	<u>FY '14</u> <u>(Restated)</u>
Current and other assets	\$ 6,773,320	\$ 5,921,168
Capital assets	<u>1,728,766</u>	<u>1,484,554</u>
Total assets	8,502,086	7,405,722
Deferred outflows of resources	<u>566,531</u>	<u>595,527</u>
Total assets and deferred outflows	<u>\$ 9,068,617</u>	<u>\$ 8,001,249</u>
Current liabilities	\$ 2,952,914	\$ 2,081,067
Net pension liability	4,458,373	5,044,744
Long term debt	<u>2,199,456</u>	<u>2,295,000</u>
Total liabilities	9,610,743	9,420,811
Deferred inflows of resources	<u>497,662</u>	<u>14,989</u>
Total liabilities and deferred inflows	<u>\$10,108,405</u>	<u>\$ 9,435,800</u>
Investment in capital assets, net of related debt	\$ (580,690)	\$ (930,435)
Restricted		
Building construction	897,264	1,028,404
Loan program	270,714	301,144
Unrestricted	<u>(1,627,076)</u>	<u>(1,833,664)</u>
Total net position	<u>\$(1,039,788)</u>	<u>\$(1,434,551)</u>

**Table 2
Change in Net Position**

	<u>FY '15</u>	<u>FY '14</u>
REVENUES		
Program revenues		
Charges for services	\$ 258,398	\$ 510,400
Operating grants and contributions	17,329,264	17,366,910
General revenues		
Municipal contributions	108,529	114,735
Interest income	<u>802</u>	<u>627</u>
Total revenues	<u>17,696,993</u>	<u>17,992,672</u>
PROGRAM EXPENSES		
Cabinet for health and family services	10,506,389	10,664,162
Workforce investment act	3,066,133	3,383,151
Commodities	712,649	703,046
Supportive housing	374,946	467,487
Loan program	19,142	25,649
Joint funding administration	262,038	261,190
Other federal contracts	943,463	958,433
Other state contracts	480,187	282,316
Other local contracts	941,054	913,352
Interest on long term debt	<u>(3,771)</u>	<u>40,409</u>
Total expenses	17,302,230	17,699,195
INCREASE IN NET POSITION	<u>\$ 394,763</u>	<u>\$ 293,477</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

General Fund Budgetary Highlights

In Fiscal Year 2015, the NKADD had an initial total budget projected of \$16,308,877 in revenues and \$16,261,033 in expenditures and net other financing uses, with net change in fund balance of \$47,844. Of these dollars \$10,200,000 were projected pass-thru. During Fiscal Year 2015, the budget was amended to increase revenues to \$17,426,733 and increase expenditures and net other financing uses to \$17,162,107. The actual revenues on the budgetary basis for Fiscal Year 2015 were \$17,128,839 and \$17,116,875 in actual expenditures and net other financing uses, compared to Fiscal Year 2014 revenues of \$17,469,018 and expenditures and net other financing uses of \$16,014,041.

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, 2015 and June 30 2014. This represents the only capital asset not depreciated. The office building has a historical cost of \$1,990,232 for June 30, 2015 and \$1,636,482 for June 30, 2014. During the fiscal year there were additions to the office building for \$353,750. The accumulated depreciation for the office building at June 30, 2015 was \$667,736 and at June 30, 2014 was \$619,643. The increase of \$48,093 was depreciation expense for fiscal year 2015. Computer equipment has a historical cost of \$540,789 for June 30, 2015 and \$608,824 for June 30, 2014. During the fiscal year there were additions to computer equipment for \$3,980 and disposals of \$72,015. Accumulated depreciation for computer equipment was \$433,168 at June 30, 2015 and \$460,209 at June 30, 2014. Accumulated depreciation for computer equipment increased for depreciation of \$44,302, decreased for disposals of \$71,343, and loss on disposal of \$672. Furniture and fixtures have a historical cost of \$247,651 for June 30, 2015 and \$256,552 for June 30, 2014. During the fiscal year there were disposals of \$8,901. The accumulated depreciation for furniture and fixtures was \$201,984 at June 30, 2015 and \$194,651 at June 30, 2014. Accumulated depreciation for furniture and fixtures increased for depreciation of \$16,234 and decreased for disposals of \$8,901. Computer software has a historical cost of \$42,173 for both June 30, 2015 and June 30, 2014. The accumulated depreciation for computer software was \$16,166 at June 30, 2015 and \$11,949 at June 30, 2014. Accumulated depreciation for computer software increased for depreciation of \$4,217.

DEBT ADMINISTRATION

Of the capital items, the land and office building are financed by long-term debt. This debt represents the only capital assets financed debt of the NKADD. 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 \$2,295,000 at June 30, 2015. The debt service total principal and interest for Fiscal Year 2016 will be \$183,275.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

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 2016, budgeted revenues are \$17,253,049 and expenditures are \$17,167,066. The difference between Fiscal Year 2016 budgeted revenues and expenditures is \$85,983.

While retirement costs continue to be a long-term financial issue for NKADD, the Fiscal Year 2015 employer contribution rate for NKADD in the County Employees Retirement System (CERS) of 17.67% was a 6.49% decrease from Fiscal Year 2014. In Fiscal Year 2016, the CERS rate will decline to 17.06%.

With respect to Fiscal Year 2017, the Kentucky General Assembly will conduct a long, budget session in 2016. With issues of pensions and healthcare looming, as well as a very tight state budget, whether or not program budget cuts will be implemented and how they could potentially impact programs of the NKADD remains to be seen.

The NKADD continues to better position itself for emergencies. The unassigned fund balance in the Governmental Fund Statements as of June 30, 2015 was \$2,594,081 compared to \$2,381,578 at the end of Fiscal Year 2014. While still low for an organization the size of NKADD, progress continues to be made on the objective of obtaining an adequate level. However, with the implementation of Governmental Accounting Standards Board Statement Nos. 68 and 71, the NKADD was required to reflect in the Government-wide Financial Statements its proportionate share of the unfunded liability of the Kentucky Retirement System's County Employees Retirement System (CERS), a cost sharing multiple employer plan, in which NKADD is a participant. As a result the unrestricted net position as of June 30, 2015 was a negative \$(1,627,075) compared to a restated negative \$(1,833,664) at the end of Fiscal Year 2014.

CONTACTING NKADD'S FINANCIAL MANAGEMENT

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

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Governmental
- ASSETS -	
Cash and cash equivalents	\$ 2,103,577
Cash - building construction account	897,264
Cash - building reserve account	122,597
Accounts receivable	3,084,471
Prepaid expenses	30,668
Real estate held for sale	265,000
Loans receivable	
Due within one year	62,578
Due in more than one year	207,165
Capital assets, net	1,728,766
Total assets	8,502,086
 - DEFERRED OUTFLOWS OF RESOURCES -	
Pension contributions subsequent to measurement date	566,531
Total deferred inflows of resources	566,531
 - LIABILITIES -	
Current liabilities:	
Accounts payable	994,474
Accrued expenses	150,273
Funds received in excess of revenues earned	1,586,061
Employees accrued annual leave	112,106
Long-term liabilities:	
Due within one year	110,000
Due in more than one year	
Long-term debt	2,199,456
Net pension liability	4,458,373
Total liabilities	9,610,743
 - DEFERRED INFLOWS OF RESOURCES -	
Difference between projected and actual earnings of pension plan	497,662
 - NET POSITION -	
Investment in capital assets, net of related debt items	(580,690)
Restricted for:	
Building construction	897,264
Loan program	270,714
Unrestricted	(1,627,076)
Total net position	\$ (1,039,788)

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

<u>Functions</u>	<u>Direct Expenses</u>	<u>Indirect Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
			<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Total Governmental Activities</u>
Governmental Activities					
Cabinet for Health and Family Services	\$ 10,265,358	\$ 241,031	\$ 75	\$ 10,907,671	\$ 401,357
Workforce Investment Act	2,951,590	114,543	-	3,079,321	13,188
Commodities	704,242	8,407	124	713,513	988
Supportive Housing	371,605	3,341	-	375,320	374
Loan Program	17,367	1,775	12,166	(23,261)	(30,237)
Joint Funding Administration	237,551	24,487	-	264,981	2,943
Other Federal Contracts	883,406	60,057	1	950,273	6,811
Other State Contracts	459,250	20,937	1	482,591	2,405
Other Local Contracts	902,688	38,366	246,031	578,855	(116,168)
Interest on long term debt	73,793	(77,564)	-	-	3,771
Total governmental activities	<u>16,866,850</u>	<u>435,380</u>	<u>258,398</u>	<u>17,329,264</u>	<u>285,432</u>
GENERAL REVENUES:					
Municipal contributions					108,529
Interest income					802
Total general revenues					<u>109,331</u>
Change in net position					394,763
NET POSITION, BEGINNING					3,014,666
PRIOR PERIOD ADJUSTMENT					<u>(4,449,217)</u>
NET POSITION, ENDING					<u><u>\$ (1,039,788)</u></u>

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	General	Special Revenue	Total Governmental Funds
- ASSETS -			
Cash and cash equivalents	\$ 2,103,577	\$ -	\$ 2,103,577
Cash - building construction account	897,264	-	897,264
Cash - building reserve account	122,597	-	122,597
Accounts receivable	3,084,471	-	3,084,471
Prepaid expenses	30,668	-	30,668
Real estate held for sale	265,000	-	265,000
Loans receivable	-	269,743	269,743
Due (to)/from other funds	(247,945)	247,945	-
Total assets	\$ 6,255,632	\$ 517,688	\$ 6,773,320
 - LIABILITIES AND FUNDS EQUITY -			
- LIABILITIES -			
Accounts payable	\$ 994,474	\$ -	\$ 994,474
Accrued expenses	113,635	-	113,635
Funds received in excess of revenues earned	1,390,807	195,254	1,586,061
Employees accrued annual leave	112,106	-	112,106
Total liabilities	2,611,022	195,254	2,806,276
 - FUND BALANCES -			
Non-spendable			
Prepaid expenses	30,668	-	30,668
Restricted			
Building construction	897,264	-	897,264
Loan program	-	270,714	270,714
Assigned			
Building reserve	122,597	-	122,597
Working capital	-	51,720	51,720
Unassigned	2,594,081	-	2,594,081
Total fund balances	3,644,610	322,434	3,967,044
Total liabilities and fund balances	\$ 6,255,632	\$ 517,688	\$ 6,773,320

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Total fund balance - governmental funds	\$	3,967,044
 <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.		1,728,766
Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		(6,753,373)
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	\$	(36,638)
Bond premium		(14,456)
		(51,094)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reportable in the governmental funds:		
Deferred outflows of resources		566,531
Deferred inflows of resources		(497,662)
		68,869
<i>Net position (deficiti) of governmental activities</i>	\$	(1,039,788)

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, 2015**

	General	Special Revenue	Totals
REVENUES:			
Applied to all programs:			
Federal revenues	\$ 6,283,338	\$ (3,650)	\$ 6,279,688
State revenues	9,823,149	-	9,823,149
Federal commodities	590,068	-	590,068
Interest income	1,003	12,166	13,169
Local revenues	1,021,349	-	1,021,349
Net revenues	<u>17,718,907</u>	<u>8,516</u>	<u>17,727,423</u>
EXPENDITURES:			
CHFS - other sub-grantees	7,936,186	-	7,936,186
WIA sub-grantees	1,861,148	-	1,861,148
Commodities	590,068	-	590,068
Supportive Housing sub-grantees	342,215	-	342,215
Other Federal Contracts sub-grantees	168,335	-	168,335
Other State Contracts sub-grantees	207,725	-	207,725
Other Local Contracts sub-grantees	116,381	-	116,381
Direct salaries	3,281,192	10,801	3,291,993
Direct employee benefits	1,256,356	4,270	1,260,626
Direct travel	160,300	-	160,300
Direct contracts	296,538	1,721	298,259
Direct other	504,738	768	505,506
Direct local non-grant expenses	58,676	-	58,676
Shared expenses	511,169	1,775	512,944
Total expenditures	<u>17,291,027</u>	<u>19,335</u>	<u>17,310,362</u>
Excess of revenues (expenditures)	<u>427,880</u>	<u>(10,819)</u>	<u>417,061</u>
OTHER FINANCING SOURCES (USES):			
Operating sources in	53,653	10,819	64,472
Operating uses out	(469,569)	(30,430)	(499,999)
Net other financing sources (uses)	<u>(415,916)</u>	<u>(19,611)</u>	<u>(435,527)</u>
Net change in fund balances	11,964	(30,430)	(18,466)
Fund balances - beginning of year	<u>3,632,646</u>	<u>352,864</u>	<u>3,985,510</u>
Fund balances - end of year	<u>\$ 3,644,610</u>	<u>\$ 322,434</u>	<u>\$ 3,967,044</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, 2015**

Net change in fund balances - total government funds \$ (18,466)

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 (\$357,730) exceeded depreciation expense (\$112,846) and loss on disposal (\$672). 244,212

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	\$	105,000	
Accretion of bond premium		533	
Difference between interest expense on modified accrual basis vs. accrual basis		3,771	
			109,304

NKADD pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the NKADD's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities

NKADD pension contributions		566,531	
Cost of benefits earned		(506,818)	
			59,713

Change in Net Position of Governmental Activities **\$ 394,763**

The accompanying notes are an integral part of this statement.

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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 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).

For the year ended June 30, 2015, the NKADD implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. GASB Statement Nos. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, GASB Statement No. 68 required disclosure of information related to pension benefits.

The following is a summary of the more significant policies:

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, 2015**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following funds are used by NKADD:

Governmental Fund Types:

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

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

Fund Balances:

GASB Statement 54 provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the 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.

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.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

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

The accounting system of NKADD also provides for the following:

- (1) Revenues are applied to program elements on the basis of total expenses incurred on the projects during the period and on the sharing ratios specified in the grant agreements.
- (2) Equipment acquired with grant funds is expensed immediately rather than capitalized and depreciated.

D. Shared Costs: Shared costs were distributed over the benefiting programs on the basis of direct salary and employee benefit charges. Shared costs are those (a) incurred for a common or joint purpose benefiting more than one program, and (b) not readily assignable to the programs specifically benefited without effort disproportionate to the results achieved.

E. Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

F. Cash and Cash Equivalents: For purposes of these financial statements, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less. As of June 30, 2015 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.

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Use of Restricted Resources: 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.

K. 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.

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

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

N. 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.

O. Deferred Outflows of Resources: The NKADD reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. The only deferred outflows of resources reported in this year's financial statements is a deferred outflow of resources for contributions made to the NKADD's defined benefit pension plan between the measurement date of the net pension liability from that plan and the end of the NKADD's fiscal year. No deferred outflows of resources affect the governmental funds financial statements in the current year.

P. Deferred Inflows of Resources: The NKADD's statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period(s). Deferred inflows of resources are reported in the NKADD's statement of net position for actual pension plan investment earnings in excess of the expected amounts included in determining pension expense. This deferred inflow of resources is attributed to pension expense over a total of 5 years, including the current year. The other deferred inflow of resources is attributed to the premium that was paid on the loan with the City of Florence for refinancing the building, improvements and real estate.

Q. Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and additions to/deductions from CERS's fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 2 – CASH AND INVESTMENTS

At June 30, 2015, the carrying amount of the NKADD’s deposits (cash and cash equivalents) was \$3,123,438 and the bank balances totaled \$3,568,249. The building construction account balance was \$897,264, 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.

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, 2015.

The NKADD leases office space for the One Stop and Kentucky Works programs under five year rental agreements. The current year gross lease expense was \$198,629. The current year gross sublease income was \$79,661. The approximate future minimum lease payments and income relative to these leases as of June 30, 2015 are summarized as follows:

<u>Fiscal Year Ending June 30</u>	<u>Expense</u>	<u>Income</u>
2016	\$ 215,809	\$ 84,279
2017	192,774	59,388
2018	192,774	59,388
2019	186,314	59,388
2020	183,084	59,388
Thereafter	<u>198,341</u>	<u>64,337</u>
	\$1,169,096	\$386,168

NOTE 4 - RETIREMENT PLANS

General Information about the Pension Plan

Plan description. Employees of the NKADD are provided with pensions through the County Employees Retirement System (CERS)—a cost-sharing multiple-employer defined benefit pension plan. Per Kentucky Revised Statute Section 61.645, the Board of Trustees (the Board) of Kentucky Retirement Systems (KRS) administers the CERS. KRS issues a publicly available financial report that can be obtained at www.kyret.ky.gov.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 - RETIREMENT PLANS (CONTINUED)

Benefits provided. CERS provides retirement, disability, and death benefits. Retirement benefits are calculated based on a formula (final compensation times a benefit factor times years of service) and may be extended to beneficiaries of plan members under certain circumstances. Disability benefits are determined in a similar manner as retirement benefits, but vary based upon hire date, age and years of service. Death benefits vary based upon whether the employee was retired or working at the date of death and whether or not it was a duty-related death.

Effective July 1, 2009, and on July 1 of each year thereafter, the cost-of-living adjustment (COLA) is limited to 1.5% provided the recipient has been receiving a benefit for at least 12 months prior to the effective date of the COLA. If the recipient has been receiving a benefit for less than 12 months prior to the effective date of the COLA, the increase shall be reduced on a pro-rate basis for each month the recipient has not been receiving benefits in the 12 months preceding the effective date of the COLA. The Kentucky General Assembly reserves the right to suspend or reduce the COLA if, in its judgment, the welfare of the Commonwealth so demands. On July 1, 2013, the COLA was not granted.

Contributions. Kentucky Revised Statute Section 78.545(33) grants the authority to establish and amend the benefit terms to the Board of KRS. Employees are required to contribute 5% or 6% of their annual creditable compensation based upon the date they begin participating in the plan. The actuarially determined rates set by the Board for the year ended June 30, 2015 was 17.67%. Contributions to the pension plan from the NKADD were \$566,531 for the year ended June 30, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the NKADD reported a liability of \$4,458,373 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NKADD's proportion of the net pension liability was based on a projection of the NKADD's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the NKADD's proportion was 0.137418%.

For the year ended June 30, 2015, the NKADD recognized pension expense of \$506,818. At June 30, 2015, the NKADD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 497,662
District contributions subsequent to the measurement date	566,531	-
	\$ 566,531	\$ 497,662

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 - RETIREMENT PLANS (CONTINUED)

The \$566,531 reported as deferred outflows of resources related to pensions resulting from NKADD contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ 99,532
2017	99,532
2018	99,532
2019	99,532
2020	99,534
	<u>\$ 497,662</u>

Actuarial assumptions. The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%
Salary increases	4.5%, average, including inflation
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

The rates of mortality for the period after service retirement are according to the 1983 Group Annuity Mortality Table for all retired members and beneficiaries as of June 30, 2006, and the 1994 Group Annuity Mortality Table for all other members. The Group Annuity Mortality Table set forward five years is used for the period after the disability retirement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005–June 30, 2008.

The long-term expected rate of return on plan assets is reviewed as part of the regular experience studies prepared every five years for KRS. The most recent analysis, performed for the period covering fiscal years 2005 through 2008, is outlined in a report dated August 25, 2009. Several factors are considered in evaluating the long-term rate of return assumption including long term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which the best-estimate ranges of expected future real rates of return (expected return, net of investment expense, and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the following table:

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 4 - RETIREMENT PLANS (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Nominal Rate of Return
Domestic equity	30%	8.45%
International equity	22%	8.85%
Emerging market equity	5%	10.50%
Private equity	7%	11.25%
Real estate	5%	7.00%
Core US fixed income	10%	5.25%
High yield US fixed income	5%	7.25%
Non US fixed income	5%	5.50%
Commodities	5%	7.75%
TIPS	5%	5.00%
Cash	1%	3.25%
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 7.75%. The long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the NKADD's proportionate share of the net pension liability to changes in the discount rate. The following presents the NKADD's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the NKADD's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
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District's proportionate share of the net pension liability	\$ 5,866,920	\$ 4,458,373	\$ 3,213,888
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Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued KRS financial report.

Payables to the pension plan

The NKADD makes legally required contributions to the pension plan on a monthly basis. The monthly payment is due by the 10th of the following month. As of June 30, 2015, \$89,918 was payable to the pension plan.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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	1,636,482	353,750	-	1,990,232
Computer software	42,173	-	-	42,173
Computer equipment	608,824	3,980	(72,015)	540,789
Furniture and fixtures	<u>256,552</u>	_____ -	<u>(8,901)</u>	<u>247,651</u>
Total capital assets being depreciated	<u>2,544,031</u>	<u>357,730</u>	<u>(80,916)</u>	<u>2,820,845</u>
Less accumulated depreciation for:				
Buildings and improvements	(619,643)	(48,093)	-	(667,736)
Computer software	(11,949)	(4,217)	-	(16,166)
Computer equipment	(460,209)	(44,302)	71,343	(433,168)
Furniture and fixtures	<u>(194,651)</u>	<u>(16,234)</u>	<u>8,901</u>	<u>(201,984)</u>
Total accumulated depreciation	<u>(1,286,452)</u>	<u>(112,846)</u>	<u>80,244</u>	<u>(1,319,054)</u>
Other capital assets, net	<u>1,257,579</u>	<u>244,884</u>	<u>(672)</u>	<u>1,501,791</u>
Governmental activities capital assets, net	\$ <u>1,484,554</u>	\$ <u>244,884</u>	\$ <u>(672)</u>	\$ <u>1,728,766</u>

NOTE 6 – LONG TERM DEBT

The following is a summary of changes in the long term debt for the year ended June 30, 2015:

	<u>Balance June 30, 2014</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2015</u>
Lease obligation	\$2,400,000	-	\$ (105,000)	\$ 2,295,000
Premium on long term debt	<u>14,989</u>	_____ -	<u>(533)</u>	<u>14,456</u>
Total long term debt	<u>\$2,414,989</u>	_____ -	<u>\$ (105,533)</u>	<u>\$2,309,456</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 6 – LONG TERM DEBT (CONTINUED)

Permanent financing of the NKADD’s office building, improvements, and related real estate is provided by the City of Florence under a capital lease arrangement. The capital lease arrangement provided approximately \$2,415,000 to NKADD at an average interest rate of 3.5% payable semi-annually 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>
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	2.25%	120,000	64,175	184,175
2021-2025	2.50% - 3.00%	645,000	273,013	918,013
2026-2030	3.75% - 4.00%	760,000	159,238	919,238
2031-2034	4.00% - 4.25%	<u>315,000</u>	<u>31,025</u>	<u>346,025</u>
Totals		<u>\$2,295,000</u>	<u>\$ 807,250</u>	<u>\$3,102,250</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 long term debt	\$(105,000)	\$ -
Transfer from general fixed assets	52,807	-
Transfer to general fixed assets	(353,750)	-
Loss on disposal of fixed assets	672	-
Net capital lease activity	174	-
Transfer from general fund to special revenue fund	(10,819)	10,819
Net revolving loan principal activity	-	<u>(30,430)</u>
Net other financing sources (uses)	<u>\$ (415,916)</u>	<u>\$ (19,611)</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015**

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, 2015 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 '15 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 \$270,714 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 103. NKADD is in conformity with 2 CFR Part 225.

NOTE 11 - PRIOR PERIOD ADJUSTMENT

The NKADD has recorded an adjustment to the beginning Net position of \$(4,449,217), at July 1, 2014. This adjustment accounts for the estimated net pension liability of \$5,044,744 and deferred outflows of \$595,527 at June 30, 2014, and is being recorded in accordance with Government Accounting Standards Board Statement Nos. 68 and 71.

REQUIRED SUPPLEMENTARY INFORMATION

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Actual Budgetary Basis	Variance with Final Budget Positive
	Original	Final		(Negative)
Fund balance July 1, 2014	\$ 3,632,646	\$ 3,632,646	\$ 3,632,646	\$ -
RESOURCES (inflows):				
Federal and state revenues	5,019,446	5,658,543	5,590,878	(67,665)
Local contract revenue	917,931	731,814	736,086	4,272
Local contribution revenue	160,000	160,000	163,010	3,010
Annual meeting	6,500	5,872	5,872	-
Miscellaneous revenue	5,000	101	1,003	902
Pass-through revenue	10,200,000	10,870,403	10,631,990	(238,413)
Total resources	<u>16,308,877</u>	<u>17,426,733</u>	<u>17,128,839</u>	<u>(297,894)</u>
Amounts available for use	<u>19,941,523</u>	<u>21,059,379</u>	<u>20,761,485</u>	<u>(297,894)</u>
EXPENDITURES (outflows):				
Direct salaries	3,389,735	3,301,138	3,281,192	19,946
Direct employee benefits	1,314,974	1,265,765	1,256,356	9,409
Direct travel	167,782	165,302	160,300	5,002
Direct contracts	120,650	352,948	296,538	56,410
Direct other	327,259	559,531	504,738	54,793
Direct local non-grant expenses	55,500	55,500	58,676	(3,176)
Shared expenses	637,633	591,520	511,169	80,351
Pass-through expenditures	10,200,000	10,870,403	10,631,990	238,413
Total expenditures before other sources	16,213,533	17,162,107	16,700,959	461,148
Net other financing (sources) uses	<u>47,500</u>	<u>-</u>	<u>415,916</u>	<u>(415,916)</u>
Net expenditures	<u>16,261,033</u>	<u>17,162,107</u>	<u>17,116,875</u>	<u>45,232</u>
Budgetary fund balance June 30, 2015	<u>\$ 3,680,490</u>	<u>\$ 3,897,272</u>	<u>\$ 3,644,610</u>	<u>\$ (252,662)</u>

The accompanying notes are an integral part of this statement.

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO BUDGETARY COMPARISON SCHEDULE
JUNE 30, 2015**

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.

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

SCHEDULE OF THE NKADD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

County Employees Retirement System

Last 10 Fiscal Years*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
NKADD's proportion of the net pension liability (asset)	0.137418%									
NKADD's proportionate share of the net pension liability (asset)	\$4,458,373									
NKADD's covered-employee payroll	\$3,155,009									
NKADD's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	141.31%									
Plan fiduciary net position as a percentage of the total pension liability	66.80%									

* The amounts presented for each fiscal year were determined as of one-year prior to the fiscal year end.

The accompanying notes are an integral part of this statement.

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT

SCHEDULE OF NKADD PENSION CONTRIBUTIONS

County Employees Retirement System

Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Contractually required contribution	\$ 566,531	\$ 595,527								
Contributions in relation to the contractually required contribution	<u>\$ (566,531)</u>	<u>\$ (595,527)</u>								
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>								
City's covered-employee payroll	\$3,209,306	\$3,155,009								
Contributions as a percentage of covered-employee payroll	17.65%	18.88%								

The accompanying notes are an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

**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, 2015, 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
March 2, 2016

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY GRANT
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED JUNE 30, 2015**

REFERENCE	<u>Cabinet for Health and Family Services Pages 30-36</u>	<u>Workforce Investment Act Pages 58-64</u>	<u>Commodities Pages 84-85</u>	<u>Supportive Housing Pages 86-87</u>
REVENUES:				
Federal	\$ 1,697,380	\$ 3,079,321	\$ 123,445	\$ 357,356
State	9,158,302	-	-	17,883
Federal commodities	-	-	590,068	-
Local funds applied	18,536	-	-	81
Match - cash	419,561	-	-	-
Match - In kind	304,911	-	-	58,759
Program income	81,116	-	-	-
Interest income	75	-	124	-
Local revenue	33,453	-	-	-
Total revenues	<u>11,713,334</u>	<u>3,079,321</u>	<u>713,637</u>	<u>434,079</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	1,545,304	737,401	55,244	20,895
Employee benefits	592,522	278,242	19,247	8,180
Travel	66,108	28,412	1,629	259
Contracts	2,878	7,619	36,000	-
Other	149,997	51,956	3,042	430
Total direct expenses	<u>2,356,809</u>	<u>1,103,630</u>	<u>115,162</u>	<u>29,764</u>
Shared expenses applied	<u>241,031</u>	<u>114,543</u>	<u>8,407</u>	<u>3,341</u>
Sub-total expenditures	<u>2,597,840</u>	<u>1,218,173</u>	<u>123,569</u>	<u>33,105</u>
Sub-recipients/sub-grantees	<u>8,741,774</u>	<u>1,861,148</u>	<u>590,068</u>	<u>400,974</u>
Total expenditures	<u>11,339,614</u>	<u>3,079,321</u>	<u>713,637</u>	<u>434,079</u>
Excess revenues (expenditures) before transfers to (from)	<u>373,720</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ 373,720</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Loan Program</u> <u>Pages 88-89</u>	<u>Joint Funding Administration</u> <u>Pages 90-91</u>	<u>Other Federal Contracts</u> <u>Pages 92-95</u>	<u>Other State Contracts</u> <u>Pages 96-99</u>	<u>Other Local Contracts</u> <u>Pages 100-102</u>	<u>Shared Expenses</u> <u>Page 103</u>	<u>Revenues and Expenditures</u> <u>Total</u>
\$ (3,650)	\$ 89,200	\$ 936,636	\$ -	\$ -	\$ -	\$ 6,279,688
-	175,098	-	471,866	-	-	9,823,149
-	-	-	-	-	-	590,068
10,819	683	13,637	10,725	(54,481)	-	-
-	-	-	-	-	-	419,561
-	-	-	-	-	-	363,670
-	-	-	-	-	-	81,116
12,166	-	1	1	802	-	13,169
-	-	-	-	987,896	-	1,021,349
<u>19,335</u>	<u>264,981</u>	<u>950,274</u>	<u>482,592</u>	<u>934,217</u>	<u>-</u>	<u>18,591,770</u>
10,801	164,557	380,809	134,451	242,531	46,773	3,338,766
4,270	62,192	150,796	51,482	93,695	1,212	1,261,838
-	6,766	27,197	5,313	24,616	12,400	172,700
1,721	-	105,774	15,450	128,817	78,548	376,807
768	6,979	57,306	47,234	246,470	374,011	938,193
<u>17,560</u>	<u>240,494</u>	<u>721,882</u>	<u>253,930</u>	<u>736,129</u>	<u>512,944</u>	<u>6,088,304</u>
<u>1,775</u>	<u>24,487</u>	<u>60,057</u>	<u>20,937</u>	<u>38,366</u>	<u>(512,944)</u>	<u>-</u>
19,335	264,981	781,939	274,867	774,495	-	6,088,304
-	-	168,335	207,725	116,381	-	12,086,405
<u>19,335</u>	<u>264,981</u>	<u>950,274</u>	<u>482,592</u>	<u>890,876</u>	<u>-</u>	<u>18,174,709</u>
-	-	-	-	43,341	-	417,061
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,341</u>	<u>\$ -</u>	<u>\$ 417,061</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

REFERENCE	Title III		Title VII	
	Pages 38-41		Pages 42-43	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 1,147,438	\$ 985,491	\$ 28,486	\$ 17,779
State	454,061	454,061	-	-
Local funds applied	9,882	10,461	-	1
Match - cash	370,993	378,528	3,093	3,093
Match - In kind	274,987	278,301	3,369	3,369
Program income	7,971	7,971	-	-
Interest income	-	-	-	-
Local revenue	736	736	-	-
Total revenues	2,266,068	2,115,549	34,948	24,242
EXPENDITURES:				
Direct Expenses:				
Salaries	227,880	227,880	485	485
Employee benefits	87,442	87,442	123	123
Travel	11,524	11,356	-	-
Contracts	59,288	2,878	-	-
Other	50,501	28,553	14,323	3,624
Total direct expenses	436,635	358,109	14,931	4,232
Shared expenses applied	36,234	35,830	69	69
Sub-total expenditures	472,869	393,939	15,000	4,301
Sub-recipients/sub-grantees	1,793,199	1,721,610	19,948	19,941
Total expenditures	2,266,068	2,115,549	34,948	24,242
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

NSIP 320-319		Homecare Pages 44-45		Adult Day Care Pages 46-47	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 69,478	\$ 23,548	\$ -	\$ -	\$ -	\$ -
-	-	1,293,605	1,206,587	80,333	60,738
-	-	10,304	7,980	-	-
-	-	37,940	37,940	-	-
-	-	23,241	23,241	-	-
-	-	6,430	6,430	220	220
-	-	-	-	5	5
-	-	33,383	32,717	-	-
<u>69,478</u>	<u>23,548</u>	<u>1,404,903</u>	<u>1,314,895</u>	<u>80,558</u>	<u>60,963</u>
-	-	318,404	302,994	8,980	8,980
-	-	117,637	115,692	3,585	3,585
-	-	15,884	14,301	19,455	44
-	-	-	-	-	-
-	-	86,870	25,879	-	-
-	-	538,795	458,866	32,020	12,609
-	-	57,310	47,231	1,623	1,439
-	-	596,105	506,097	33,643	14,048
<u>69,478</u>	<u>23,548</u>	<u>808,798</u>	<u>808,798</u>	<u>46,915</u>	<u>46,915</u>
<u>69,478</u>	<u>23,548</u>	<u>1,404,903</u>	<u>1,314,895</u>	<u>80,558</u>	<u>60,963</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

REFERENCE	Personal Care Attendant		SHIP	
	Pages 48-49		Pages 50-51	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ 48,838	\$ 48,472
State	530,253	529,863	-	-
Local funds applied	-	-	94	94
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	530,253	529,863	48,932	48,566
EXPENDITURES:				
Direct Expenses:				
Salaries	17,862	17,862	1,554	1,554
Employee benefits	5,556	5,556	394	394
Travel	153	153	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	23,571	23,571	1,948	1,948
Shared expenses applied	2,967	2,577	588	222
Sub-total expenditures	26,538	26,148	2,536	2,170
Sub-recipients/sub-grantees	503,715	503,715	46,396	46,396
Total expenditures	530,253	529,863	48,932	48,566
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		Functional Assessment 317-557		Kentucky Caregiver Pages 52-53	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ 2,000	\$ 574	\$ -	\$ -
61,664	61,664	-	-	164,357	156,866
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
61,664	61,664	2,000	574	164,357	156,866
-	-	1,225	324	37,650	37,650
-	-	520	133	11,020	11,020
-	-	66	66	525	525
-	-	-	-	-	-
-	-	-	-	11,644	1,159
-	-	1,811	523	60,839	50,354
-	-	189	51	5,534	5,534
-	-	2,000	574	66,373	55,888
61,664	61,664	-	-	97,984	100,978
61,664	61,664	2,000	574	164,357	156,866
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

REFERENCE	CDO		PDI	
	Pages 54-55		Pages 56-57	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 270,000	\$ 518,600	\$ -	\$ -
State	6,616,631	6,616,631	104,252	71,892
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	66,495	66,495	-	-
Interest income	70	70	-	-
Local revenue	-	-	-	-
Total revenues	6,953,196	7,201,796	104,252	71,892
EXPENDITURES:				
Direct Expenses:				
Salaries	856,984	865,812	40,929	40,929
Employee benefits	332,367	333,980	18,264	18,264
Travel	37,096	37,209	1,062	1,062
Contracts	-	-	-	-
Other	78,610	83,920	4,862	4,862
Total direct expenses	1,305,057	1,320,921	65,117	65,117
Shared expenses applied	138,531	134,854	39,135	6,775
Sub-total expenditures	1,443,588	1,455,775	104,252	71,892
Sub-recipients/sub-grantees	5,372,301	5,372,301	-	-
Total expenditures	6,815,889	6,828,076	104,252	71,892
Excess revenues (expenditures) before transfers to (from)	137,307	373,720	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ 137,307	\$ 373,720	\$ -	\$ -

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

Chronic Disease 320-327		MIPPA 3 326-313		Improving Arthritis Outcomes 326-335	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 14,540	\$ 8,285	\$ 54,627	\$ 36,974	\$ 6,000	\$ 2,512
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,540</u>	<u>8,285</u>	<u>54,627</u>	<u>36,974</u>	<u>6,000</u>	<u>2,512</u>
8,264	5,264	670	670	1,360	1,360
3,341	1,341	280	280	560	560
73	73	-	-	211	211
-	-	-	-	-	-
2,147	892	-	-	3,669	189
<u>13,825</u>	<u>7,570</u>	<u>950</u>	<u>950</u>	<u>5,800</u>	<u>2,320</u>
<u>715</u>	<u>715</u>	<u>17,769</u>	<u>116</u>	<u>200</u>	<u>192</u>
14,540	8,285	18,719	1,066	6,000	2,512
-	-	35,908	35,908	-	-
<u>14,540</u>	<u>8,285</u>	<u>54,627</u>	<u>36,974</u>	<u>6,000</u>	<u>2,512</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TOTAL BY PROGRAM
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

REFERENCE	Health Benefits Exchange		Cabinet for Health and Family Services	
	326-336		Totals	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 78,582	\$ 55,145	\$ 1,719,989	\$ 1,697,380
State	-	-	9,305,156	9,158,302
Local funds applied	-	-	20,280	18,536
Match - cash	-	-	412,026	419,561
Match - In kind	-	-	301,597	304,911
Program income	-	-	81,116	81,116
Interest income	-	-	75	75
Local revenue	-	-	34,119	33,453
Total revenues	78,582	55,145	11,874,358	11,713,334
EXPENDITURES:				
Direct Expenses:				
Salaries	48,500	33,540	1,570,747	1,545,304
Employee benefits	20,500	14,152	601,589	592,522
Travel	1,108	1,108	87,157	66,108
Contracts	-	-	59,288	2,878
Other	919	919	253,545	149,997
Total direct expenses	71,027	49,719	2,572,326	2,356,809
Shared expenses applied	7,555	5,426	308,419	241,031
Sub-total expenditures	78,582	55,145	2,880,745	2,597,840
Sub-recipients/sub-grantees	-	-	8,856,306	8,741,774
Total expenditures	78,582	55,145	11,737,051	11,339,614
Excess revenues (expenditures) before transfers to (from)	-	-	137,307	373,720
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ 137,307	\$ 373,720

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

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TITLE III
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Administration		Supportive Services	
	320-300		320-301	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 86,487	\$ 76,445	\$ 396,905	\$ 396,737
State	61,090	61,090	245,359	245,359
Local funds applied	-	-	-	-
Match - cash	-	-	277,781	277,781
Match - In kind	-	-	224,809	224,809
Program income	-	-	4,055	4,055
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>147,577</u>	<u>137,535</u>	<u>1,148,909</u>	<u>1,148,741</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	81,110	81,110	94,004	94,004
Employee benefits	28,155	28,155	38,844	38,844
Travel	6,757	6,757	2,862	2,694
Contracts	-	992	-	-
Other	18,555	7,981	17,639	17,639
Total direct expenses	<u>134,577</u>	<u>124,995</u>	<u>153,349</u>	<u>153,181</u>
Shared expenses applied	<u>13,000</u>	<u>12,540</u>	<u>15,008</u>	<u>15,008</u>
Sub-total expenditures	<u>147,577</u>	<u>137,535</u>	<u>168,357</u>	<u>168,189</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>980,552</u>	<u>980,552</u>
Total expenditures	<u>147,577</u>	<u>137,535</u>	<u>1,148,909</u>	<u>1,148,741</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.

Congregate Meals		Home Delivered Meals		Preventive Health	
320-302		320-303		320-304	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 228,643	\$ 171,276	\$ 274,314	\$ 190,390	\$ 20,529	\$ 20,529
40,343	40,343	33,803	33,803	51,244	51,244
-	-	-	-	-	-
39,711	43,898	39,563	39,563	13,138	16,486
24,251	26,092	-	-	16,201	17,674
3,916	3,916	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>336,864</u>	<u>285,525</u>	<u>347,680</u>	<u>263,756</u>	<u>101,112</u>	<u>105,933</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
57,515	148	-	-	1,773	1,738
-	-	-	-	-	35
<u>57,515</u>	<u>148</u>	<u>-</u>	<u>-</u>	<u>1,773</u>	<u>1,773</u>
-	-	-	-	-	-
57,515	148	-	-	1,773	1,773
<u>279,349</u>	<u>285,377</u>	<u>347,680</u>	<u>263,756</u>	<u>99,339</u>	<u>104,160</u>
<u>336,864</u>	<u>285,525</u>	<u>347,680</u>	<u>263,756</u>	<u>101,112</u>	<u>105,933</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TITLE III
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Caregiver Administration		Caregiver Support	
	320-308		320-309	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 12,807	\$ 12,807	\$ 127,753	\$ 117,307
State	2,222	2,222	20,000	20,000
Local funds applied	2,565	2,621	7,317	7,840
Match - cash	-	-	800	800
Match - In kind	-	-	9,726	9,726
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	736	736
Total revenues	17,594	17,650	166,332	156,409
EXPENDITURES:				
Direct Expenses:				
Salaries	11,978	11,978	40,788	40,788
Employee benefits	3,557	3,557	16,886	16,886
Travel	348	348	1,557	1,557
Contracts	-	-	-	-
Other	-	-	14,307	2,898
Total direct expenses	15,883	15,883	73,538	62,129
Shared expenses applied	1,711	1,767	6,515	6,515
Sub-total expenditures	17,594	17,650	80,053	68,644
Sub-recipients/sub-grantees	-	-	86,279	87,765
Total expenditures	17,594	17,650	166,332	156,409
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from):	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Title III	
Totals	
Budget	Actual
\$ 1,147,438	\$ 985,491
454,061	454,061
9,882	10,461
370,993	378,528
274,987	278,301
7,971	7,971
-	-
736	736
<u>2,266,068</u>	<u>2,115,549</u>
227,880	227,880
87,442	87,442
11,524	11,356
59,288	2,878
50,501	28,553
<u>436,635</u>	<u>358,109</u>
36,234	35,830
472,869	393,939
<u>1,793,199</u>	<u>1,721,610</u>
<u>2,266,068</u>	<u>2,115,549</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
TITLE VII
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Elder Abuse		Ombudsman	
	320-305		320-306	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 5,009	\$ 5,002	\$ 8,477	\$ 8,477
State	-	-	-	-
Local funds applied	-	-	-	-
Match - cash	1,211	1,211	1,882	1,882
Match - In kind	1,263	1,263	2,106	2,106
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>7,483</u>	<u>7,476</u>	<u>12,465</u>	<u>12,465</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	-	-	-	-
Shared expenses applied	-	-	-	-
Sub-total expenditures	-	-	-	-
Sub-recipients/sub-grantees	<u>7,483</u>	<u>7,476</u>	<u>12,465</u>	<u>12,465</u>
Total expenditures	<u>7,483</u>	<u>7,476</u>	<u>12,465</u>	<u>12,465</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
\$ 15,000	\$ 4,300	\$ 28,486	\$ 17,779
-	-	-	-
-	1	-	1
-	-	3,093	3,093
-	-	3,369	3,369
-	-	-	-
-	-	-	-
-	-	-	-
<u>15,000</u>	<u>4,301</u>	<u>34,948</u>	<u>24,242</u>
485	485	485	485
123	123	123	123
-	-	-	-
-	-	-	-
<u>14,323</u>	<u>3,624</u>	<u>14,323</u>	<u>3,624</u>
14,931	4,232	14,931	4,232
69	69	69	69
15,000	4,301	15,000	4,301
-	-	19,948	19,941
<u>15,000</u>	<u>4,301</u>	<u>34,948</u>	<u>24,242</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
HOMECARE
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Administration		Home Delivered Meals	
	321-320		321-321	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	127,935	127,935	90,228	90,228
Local funds applied	10,304	7,980	-	-
Match - cash	-	-	8,710	8,710
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	666	-	-	-
Total revenues	138,905	135,915	98,938	98,938
EXPENDITURES:				
Direct Expenses:				
Salaries	82,826	82,826	2,078	2,078
Employee benefits	28,342	28,342	848	835
Travel	3,884	3,884	-	-
Contracts	-	-	-	-
Other	11,853	8,394	-	-
Total direct expenses	126,905	123,446	2,926	2,913
Shared expenses applied	12,000	12,469	310	323
Sub-total expenditures	138,905	135,915	3,236	3,236
Sub-recipients/sub-grantees	-	-	95,702	95,702
Total expenditures	138,905	135,915	98,938	98,938
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Social Services		Homecare	
321-322		Totals	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -
1,075,442	988,424	1,293,605	1,206,587
-	-	10,304	7,980
29,230	29,230	37,940	37,940
23,241	23,241	23,241	23,241
6,430	6,430	6,430	6,430
-	-	-	-
32,717	32,717	33,383	32,717
<u>1,167,060</u>	<u>1,080,042</u>	<u>1,404,903</u>	<u>1,314,895</u>
233,500	218,090	318,404	302,994
88,447	86,515	117,637	115,692
12,000	10,417	15,884	14,301
-	-	-	-
75,017	17,485	86,870	25,879
<u>408,964</u>	<u>332,507</u>	<u>538,795</u>	<u>458,866</u>
45,000	34,439	57,310	47,231
453,964	366,946	596,105	506,097
713,096	713,096	808,798	808,798
<u>1,167,060</u>	<u>1,080,042</u>	<u>1,404,903</u>	<u>1,314,895</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
ADULT DAY CARE
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Administration		Services	
	322-330		322-331	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	5,509	5,432	74,824	55,306
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	220	220
Interest income	-	-	5	5
Local revenue	-	-	-	-
Total revenues	5,509	5,432	75,049	55,531
EXPENDITURES:				
Direct Expenses:				
Salaries	3,623	3,623	5,357	5,357
Employee benefits	1,263	1,263	2,322	2,322
Travel	-	-	19,455	44
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	4,886	4,886	27,134	7,723
Shared expenses applied	623	546	1,000	893
Sub-total expenditures	5,509	5,432	28,134	8,616
Sub-recipients/sub-grantees	-	-	46,915	46,915
Total expenditures	5,509	5,432	75,049	55,531
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from):	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Adult Day Care	
Totals	
Budget	Actual
\$ -	\$ -
80,333	60,738
-	-
-	-
-	-
220	220
5	5
-	-
<u>80,558</u>	<u>60,963</u>
8,980	8,980
3,585	3,585
19,455	44
-	-
-	-
<u>32,020</u>	<u>12,609</u>
<u>1,623</u>	<u>1,439</u>
33,643	14,048
<u>46,915</u>	<u>46,915</u>
<u>80,558</u>	<u>60,963</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
PERSONAL CARE ATTENDANT
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Administration		Evaluation and Coordination	
	324-340		324-341	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	26,538	26,148	79,513	79,513
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	26,538	26,148	79,513	79,513
EXPENDITURES:				
Direct Expenses:				
Salaries	17,862	17,862	-	-
Employee benefits	5,556	5,556	-	-
Travel	153	153	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	23,571	23,571	-	-
Shared expenses applied	2,967	2,577	-	-
Sub-total expenditures	26,538	26,148	-	-
Sub-recipients/sub-grantees	-	-	79,513	79,513
Total expenditures	26,538	26,148	79,513	79,513
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Subsidy		Personal Care Attendant	
324-342		Totals	
Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -
424,202	424,202	530,253	529,863
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
424,202	424,202	530,253	529,863
-	-	17,862	17,862
-	-	5,556	5,556
-	-	153	153
-	-	-	-
-	-	-	-
-	-	23,571	23,571
-	-	2,967	2,577
-	-	26,538	26,148
424,202	424,202	503,715	503,715
424,202	424,202	530,253	529,863
-	-	-	-
-	-	-	-
\$ -	\$ -	\$ -	\$ -

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
SHIP
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Administration		Regular	
	326-310		326-311	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 2,442	\$ 2,076	\$ 46,396	\$ 46,396
State	-	-	-	-
Local funds applied	94	94	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	2,536	2,170	46,396	46,396
EXPENDITURES:				
Direct Expenses:				
Salaries	1,554	1,554	-	-
Employee benefits	394	394	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	1,948	1,948	-	-
Shared expenses applied	588	222	-	-
Sub-total expenditures	2,536	2,170	-	-
Sub-recipients/sub-grantees	-	-	46,396	46,396
Total expenditures	2,536	2,170	46,396	46,396
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

SHIP	
Totals	
Budget	Actual
\$ 48,838	\$ 48,472
-	-
94	94
-	-
-	-
-	-
-	-
-	-
<u>48,932</u>	<u>48,566</u>
1,554	1,554
394	394
-	-
-	-
-	-
<u>1,948</u>	<u>1,948</u>
588	222
2,536	2,170
<u>46,396</u>	<u>46,396</u>
<u>48,932</u>	<u>48,566</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
KENTUCKY CAREGIVER
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Grandparents Administration		Grandparents Support	
	320-314		320-315	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	14,364	14,364	149,993	142,502
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	14,364	14,364	149,993	142,502
EXPENDITURES:				
Direct Expenses:				
Salaries	9,933	9,933	27,717	27,717
Employee benefits	2,963	2,963	8,057	8,057
Travel	-	-	525	525
Contracts	-	-	-	-
Other	-	-	11,644	1,159
Total direct expenses	12,896	12,896	47,943	37,458
Shared expenses applied	1,468	1,468	4,066	4,066
Sub-total expenditures	14,364	14,364	52,009	41,524
Sub-recipients/ sub-grantees	-	-	97,984	100,978
Total expenditures	14,364	14,364	149,993	142,502
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
\$ -	\$ -
164,357	156,866
-	-
-	-
-	-
-	-
-	-
<u>164,357</u>	<u>156,866</u>
37,650	37,650
11,020	11,020
525	525
-	-
<u>11,644</u>	<u>1,159</u>
60,839	50,354
5,534	5,534
66,373	55,888
<u>97,984</u>	<u>100,978</u>
<u>164,357</u>	<u>156,866</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

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

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
CDO
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015

Work Element	CDO Financial Management		CDO Program	
	134-552		334-552	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 270,000	\$ 518,600	\$ -	\$ -
State	-	-	6,616,631	6,616,631
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	66,495	66,495
Interest income	-	-	70	70
Local revenue	-	-	-	-
Total revenues	270,000	518,600	6,683,196	6,683,196
EXPENDITURES:				
Direct Expenses:				
Salaries	162,361	171,189	694,623	694,623
Employee benefits	61,869	63,482	270,498	270,498
Travel	-	113	37,096	37,096
Contracts	-	-	-	-
Other	15,540	20,850	63,070	63,070
Total direct expenses	239,770	255,634	1,065,287	1,065,287
Shared expenses applied	30,230	26,553	108,301	108,301
Sub-total expenditures	270,000	282,187	1,173,588	1,173,588
Sub-recipients/sub-grantees	-	-	5,372,301	5,372,301
Total expenditures	270,000	282,187	6,545,889	6,545,889
Excess revenues (expenditures) before transfers to (from)	-	236,413	137,307	137,307
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ 236,413	\$ 137,307	\$ 137,307

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

CDO	
Totals	
Budget	Actual
\$ 270,000	\$ 518,600
6,616,631	6,616,631
-	-
-	-
-	-
66,495	66,495
70	70
-	-
<u>6,953,196</u>	<u>7,201,796</u>
856,984	865,812
332,367	333,980
37,096	37,209
-	-
<u>78,610</u>	<u>83,920</u>
1,305,057	1,320,921
<u>138,531</u>	<u>134,854</u>
1,443,588	1,455,775
<u>5,372,301</u>	<u>5,372,301</u>
<u>6,815,889</u>	<u>6,828,076</u>
<u>137,307</u>	<u>373,720</u>
-	-
<u>\$ 137,307</u>	<u>\$ 373,720</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
CABINET FOR HEALTH AND FAMILY SERVICES
PROGRAM DEVELOPMENT & IMPLEMENTATION (PDI)
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	PDI		PDI	
	322-337		322-338	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	8,390	8,390	95,862	63,502
Local funds applied	-	-	-	-
Match - cash	-	-	-	-
Match - In kind	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	8,390	8,390	95,862	63,502
EXPENDITURES:				
Direct Expenses:				
Salaries	5,276	5,276	35,653	35,653
Employee benefits	1,752	1,752	16,512	16,512
Travel	-	-	1,062	1,062
Contracts	-	-	-	-
Other	576	576	4,286	4,286
Total direct expenses	7,604	7,604	57,513	57,513
Shared expenses applied	786	786	38,349	5,989
Sub-total expenditures	8,390	8,390	95,862	63,502
Sub-recipients/sub-grantees	-	-	-	-
Total expenditures	8,390	8,390	95,862	63,502
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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PDI	
Totals	
Budget	Actual
\$ -	\$ -
104,252	71,892
-	-
-	-
-	-
-	-
-	-
-	-
104,252	71,892
40,929	40,929
18,264	18,264
1,062	1,062
-	-
4,862	4,862
65,117	65,117
39,135	6,775
104,252	71,892
-	-
104,252	71,892
-	-
-	-
\$ -	\$ -

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT
TOTAL BY GRANT
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	27214		20512	
	463-634		466-646	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 691	\$ 691	\$ 74,052	\$ 74,052
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>691</u>	<u>691</u>	<u>74,052</u>	<u>74,052</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	-	-
Other	187	187	-	-
Total direct expenses	187	187	-	-
Shared expenses applied	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	187	187	-	-
Sub-recipients/sub-grantees	<u>504</u>	<u>504</u>	<u>74,052</u>	<u>74,052</u>
Total expenditures	<u>691</u>	<u>691</u>	<u>74,052</u>	<u>74,052</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.

258CA13		258DW13		25815	
466-690		466-691		466-695	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 130,940	\$ 130,940	\$ 5,966	\$ 5,966	\$ 31,267	\$ 31,267
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>130,940</u>	<u>130,940</u>	<u>5,966</u>	<u>5,966</u>	<u>31,267</u>	<u>31,267</u>
42,184	42,184	-	-	17,750	17,750
15,801	15,801	-	-	8,752	8,752
1,245	1,245	-	-	400	400
-	-	-	-	-	-
395	395	-	-	1,300	1,300
<u>59,625</u>	<u>59,625</u>	<u>-</u>	<u>-</u>	<u>28,202</u>	<u>28,202</u>
<u>6,579</u>	<u>6,579</u>	<u>-</u>	<u>-</u>	<u>3,065</u>	<u>3,065</u>
66,204	66,204	-	-	31,267	31,267
<u>64,736</u>	<u>64,736</u>	<u>5,966</u>	<u>5,966</u>	<u>-</u>	<u>-</u>
<u>130,940</u>	<u>130,940</u>	<u>5,966</u>	<u>5,966</u>	<u>31,267</u>	<u>31,267</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT
TOTAL BY GRANT
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

	20513		27014	
	476-646		Pages 66-67	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 365,151	\$ 365,151	\$ 1,718	\$ 1,718
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>365,151</u>	<u>365,151</u>	<u>1,718</u>	<u>1,718</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	977	977
Other	-	-	741	741
Total direct expenses	-	-	1,718	1,718
Shared expenses applied	-	-	-	-
Sub-total expenditures	-	-	1,718	1,718
Sub-recipients/sub-grantees	<u>365,151</u>	<u>365,151</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>365,151</u>	<u>365,151</u>	<u>1,718</u>	<u>1,718</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.

27314		27414		27114	
Pages 68-69		Pages 70-71		Pages 72-73	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 150,756	\$ 150,756	\$ 117,895	\$ 117,895	\$ 446,936	\$ 446,936
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>150,756</u>	<u>150,756</u>	<u>117,895</u>	<u>117,895</u>	<u>446,936</u>	<u>446,936</u>
49,341	49,341	26,878	26,878	72,851	72,851
17,685	17,685	10,543	10,543	27,195	27,195
1,709	1,709	1,319	1,319	2,940	2,940
-	-	3,064	3,064	626	626
1,719	1,719	3,706	3,706	9,566	9,566
<u>70,454</u>	<u>70,454</u>	<u>45,510</u>	<u>45,510</u>	<u>113,178</u>	<u>113,178</u>
<u>7,234</u>	<u>7,234</u>	<u>4,213</u>	<u>4,213</u>	<u>10,536</u>	<u>10,536</u>
77,688	77,688	49,723	49,723	123,714	123,714
<u>73,068</u>	<u>73,068</u>	<u>68,172</u>	<u>68,172</u>	<u>323,222</u>	<u>323,222</u>
<u>150,756</u>	<u>150,756</u>	<u>117,895</u>	<u>117,895</u>	<u>446,936</u>	<u>446,936</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT
TOTAL BY GRANT
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

	27015		27315	
	Pages 74-75		Pages 76-77	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 46,637	\$ 46,637	\$ 597,103	\$ 597,103
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>46,637</u>	<u>46,637</u>	<u>597,103</u>	<u>597,103</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	16,340	16,340	168,234	168,234
Employee benefits	5,623	5,623	61,372	61,372
Travel	1,141	1,141	2,215	2,215
Contracts	948	948	2,004	2,004
Other	67	67	7,800	7,800
Total direct expenses	<u>24,119</u>	<u>24,119</u>	<u>241,625</u>	<u>241,625</u>
Shared expenses applied	<u>2,518</u>	<u>2,518</u>	<u>26,849</u>	<u>26,849</u>
Sub-total expenditures	<u>26,637</u>	<u>26,637</u>	<u>268,474</u>	<u>268,474</u>
Sub-recipients/sub-grantees	<u>20,000</u>	<u>20,000</u>	<u>328,629</u>	<u>328,629</u>
Total expenditures	<u>46,637</u>	<u>46,637</u>	<u>597,103</u>	<u>597,103</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>

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27215		27415		27115	
Pages 78-79		Pages 80-81		Pages 82-83	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 95,089	\$ 95,089	\$ 522,879	\$ 522,879	\$ 492,241	\$ 492,241
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>95,089</u>	<u>95,089</u>	<u>522,879</u>	<u>522,879</u>	<u>492,241</u>	<u>492,241</u>
18,951	18,951	193,282	193,282	131,590	131,590
6,753	6,753	75,643	75,643	48,875	48,875
1,371	1,371	11,822	11,822	4,250	4,250
-	-	-	-	-	-
412	412	14,517	14,517	11,546	11,546
<u>27,487</u>	<u>27,487</u>	<u>295,264</u>	<u>295,264</u>	<u>196,261</u>	<u>196,261</u>
<u>2,713</u>	<u>2,713</u>	<u>30,330</u>	<u>30,330</u>	<u>20,506</u>	<u>20,506</u>
30,200	30,200	325,594	325,594	216,767	216,767
<u>64,889</u>	<u>64,889</u>	<u>197,285</u>	<u>197,285</u>	<u>275,474</u>	<u>275,474</u>
<u>95,089</u>	<u>95,089</u>	<u>522,879</u>	<u>522,879</u>	<u>492,241</u>	<u>492,241</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT
TOTAL BY GRANT
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

	Workforce Investment Act	
	Totals	
	Budget	Actual
REVENUES:		
Federal	\$ 3,079,321	\$ 3,079,321
State	-	-
Local funds applied	-	-
Program income	-	-
Interest income	-	-
Local revenue	-	-
Total revenues	3,079,321	3,079,321
 EXPENDITURES:		
Direct Expenses:		
Salaries	737,401	737,401
Employee benefits	278,242	278,242
Travel	28,412	28,412
Contracts	7,619	7,619
Other	51,956	51,956
Total direct expenses	1,103,630	1,103,630
Shared expenses applied	114,543	114,543
Sub-total expenditures	1,218,173	1,218,173
Sub-recipients/sub-grantees	1,861,148	1,861,148
Total expenditures	3,079,321	3,079,321
Excess revenues (expenditures) before transfers to (from)	-	-
Transfers to (from)	-	-
Excess revenues (expenditures)	\$ -	\$ -

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT -27014
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Administration		Adult	
	461-630		461-632	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 148	\$ 148	\$ 1,570	\$ 1,570
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	148	148	1,570	1,570
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Travel	-	-	-	-
Contracts	-	-	977	977
Other	148	148	593	593
Total direct expenses	148	148	1,570	1,570
Shared expenses applied	-	-	-	-
Sub-total expenditures	148	148	1,570	1,570
Sub-recipients/sub-grantees	-	-	-	-
Total expenditures	148	148	1,570	1,570
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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Totals	
27014	
Budget	Actual
\$ 1,718	\$ 1,718
-	-
-	-
-	-
-	-
-	-
<u>1,718</u>	<u>1,718</u>
-	-
-	-
-	-
977	977
741	741
<u>1,718</u>	<u>1,718</u>
-	-
1,718	1,718
-	-
<u>1,718</u>	<u>1,718</u>
-	-
-	-
<u>\$ -</u>	<u>\$ -</u>

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27314
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Administration		Adult	
	462-630		462-632	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 6,881	\$ 6,881	\$ 120,078	\$ 120,078
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	6,881	6,881	120,078	120,078
EXPENDITURES:				
Direct Expenses:				
Salaries	4,461	4,461	39,877	39,877
Employee benefits	1,323	1,323	14,528	14,528
Travel	341	341	1,368	1,368
Contracts	-	-	-	-
Other	71	71	1,344	1,344
Total direct expenses	6,196	6,196	57,117	57,117
Shared expenses applied	685	685	5,804	5,804
Sub-total expenditures	6,881	6,881	62,921	62,921
Sub-recipients/sub-grantees	-	-	57,157	57,157
Total expenditures	6,881	6,881	120,078	120,078
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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Dislocated Worker		Totals	
462-634		27314	
Budget	Actual	Budget	Actual
\$ 23,797	\$ 23,797	\$ 150,756	\$ 150,756
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>23,797</u>	<u>23,797</u>	<u>150,756</u>	<u>150,756</u>
5,003	5,003	49,341	49,341
1,834	1,834	17,685	17,685
-	-	1,709	1,709
-	-	-	-
304	304	1,719	1,719
7,141	7,141	70,454	70,454
745	745	7,234	7,234
7,886	7,886	77,688	77,688
15,911	15,911	73,068	73,068
<u>23,797</u>	<u>23,797</u>	<u>150,756</u>	<u>150,756</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT -27414
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	In School Youth		Out of School Youth	
	464-633		464-636	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 39,295	\$ 39,295	\$ 78,600	\$ 78,600
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	39,295	39,295	78,600	78,600
EXPENDITURES:				
Direct Expenses:				
Salaries	7,723	7,723	19,155	19,155
Employee benefits	2,739	2,739	7,804	7,804
Travel	395	395	924	924
Contracts	1,532	1,532	1,532	1,532
Other	1,813	1,813	1,893	1,893
Total direct expenses	14,202	14,202	31,308	31,308
Shared expenses applied	1,192	1,192	3,021	3,021
Sub-total expenditures	15,394	15,394	34,329	34,329
Sub-recipients/sub-grantees	23,901	23,901	44,271	44,271
Total expenditures	39,295	39,295	78,600	78,600
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Totals	
27414	
Budget	Actual
\$ 117,895	\$ 117,895
-	-
-	-
-	-
-	-
-	-
<u>117,895</u>	<u>117,895</u>
26,878	26,878
10,543	10,543
1,319	1,319
3,064	3,064
<u>3,706</u>	<u>3,706</u>
45,510	45,510
<u>4,213</u>	<u>4,213</u>
49,723	49,723
<u>68,172</u>	<u>68,172</u>
<u>117,895</u>	<u>117,895</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

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**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT -27114
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Administration		Dislocated Worker	
	465-630		465-634	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 11,198	\$ 11,198	\$ 135,138	\$ 135,138
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	11,198	11,198	135,138	135,138
EXPENDITURES:				
Direct Expenses:				
Salaries	5,980	5,980	66,871	66,871
Employee benefits	1,834	1,834	25,361	25,361
Travel	577	577	2,363	2,363
Contracts	-	-	626	626
Other	2,115	2,115	7,451	7,451
Total direct expenses	10,506	10,506	102,672	102,672
Shared expenses applied	692	692	9,844	9,844
Sub-total expenditures	11,198	11,198	112,516	112,516
Sub-recipients/sub-grantees	-	-	22,622	22,622
Total expenditures	11,198	11,198	135,138	135,138
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Rapid Response		Totals	
465-639		27114	
Budget	Actual	Budget	Actual
\$ 300,600	\$ 300,600	\$ 446,936	\$ 446,936
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>300,600</u>	<u>300,600</u>	<u>446,936</u>	<u>446,936</u>
-	-	72,851	72,851
-	-	27,195	27,195
-	-	2,940	2,940
-	-	626	626
-	-	<u>9,566</u>	<u>9,566</u>
-	-	113,178	113,178
-	-	<u>10,536</u>	<u>10,536</u>
-	-	123,714	123,714
<u>300,600</u>	<u>300,600</u>	<u>323,222</u>	<u>323,222</u>
<u>300,600</u>	<u>300,600</u>	<u>446,936</u>	<u>446,936</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27015
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Administration		Adult	
	471-630		471-632	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 2,772	\$ 2,772	\$ 43,865	\$ 43,865
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	<u>2,772</u>	<u>2,772</u>	<u>43,865</u>	<u>43,865</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	1,270	1,270	15,070	15,070
Employee benefits	423	423	5,200	5,200
Travel	924	924	217	217
Contracts	-	-	948	948
Other	-	-	67	67
Total direct expenses	<u>2,617</u>	<u>2,617</u>	<u>21,502</u>	<u>21,502</u>
Shared expenses applied	<u>155</u>	<u>155</u>	<u>2,363</u>	<u>2,363</u>
Sub-total expenditures	<u>2,772</u>	<u>2,772</u>	<u>23,865</u>	<u>23,865</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total expenditures	<u>2,772</u>	<u>2,772</u>	<u>43,865</u>	<u>43,865</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Totals	
27015	
Budget	Actual
\$ 46,637	\$ 46,637
-	-
-	-
-	-
-	-
-	-
<u>46,637</u>	<u>46,637</u>
16,340	16,340
5,623	5,623
1,141	1,141
948	948
67	67
<u>24,119</u>	<u>24,119</u>
2,518	2,518
<u>26,637</u>	<u>26,637</u>
<u>20,000</u>	<u>20,000</u>
<u>46,637</u>	<u>46,637</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

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

NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27315
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015

Work Element	Administration		Adult	
	472-630		472-632	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 46,724	\$ 46,724	\$ 326,638	\$ 326,638
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	46,724	46,724	326,638	326,638
EXPENDITURES:				
Direct Expenses:				
Salaries	28,398	28,398	84,118	84,118
Employee benefits	8,457	8,457	31,092	31,092
Travel	-	-	770	770
Contracts	-	-	353	353
Other	5,476	5,476	1,179	1,179
Total direct expenses	42,331	42,331	117,512	117,512
Shared expenses applied	4,393	4,393	13,250	13,250
Sub-total expenditures	46,724	46,724	130,762	130,762
Sub-recipients/sub-grantees	-	-	195,876	195,876
Total expenditures	46,724	46,724	326,638	326,638
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Dislocated Worker		Totals	
472-634		27315	
Budget	Actual	Budget	Actual
\$ 223,741	\$ 223,741	\$ 597,103	\$ 597,103
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>223,741</u>	<u>223,741</u>	<u>597,103</u>	<u>597,103</u>
55,718	55,718	168,234	168,234
21,823	21,823	61,372	61,372
1,445	1,445	2,215	2,215
1,651	1,651	2,004	2,004
1,145	1,145	7,800	7,800
<u>81,782</u>	<u>81,782</u>	<u>241,625</u>	<u>241,625</u>
<u>9,206</u>	<u>9,206</u>	<u>26,849</u>	<u>26,849</u>
90,988	90,988	268,474	268,474
<u>132,753</u>	<u>132,753</u>	<u>328,629</u>	<u>328,629</u>
<u>223,741</u>	<u>223,741</u>	<u>597,103</u>	<u>597,103</u>
-	-	-	-
-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27215
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Administration		Dislocated Worker	
	473-630		473-634	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 7,347	\$ 7,347	\$ 87,742	\$ 87,742
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	<u>7,347</u>	<u>7,347</u>	<u>87,742</u>	<u>87,742</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	4,188	4,188	14,763	14,763
Employee benefits	1,285	1,285	5,468	5,468
Travel	876	876	495	495
Contracts	-	-	-	-
Other	412	412	-	-
Total direct expenses	<u>6,761</u>	<u>6,761</u>	<u>20,726</u>	<u>20,726</u>
Shared expenses applied	<u>586</u>	<u>586</u>	<u>2,127</u>	<u>2,127</u>
Sub-total expenditures	<u>7,347</u>	<u>7,347</u>	<u>22,853</u>	<u>22,853</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>64,889</u>	<u>64,889</u>
Total expenditures	<u>7,347</u>	<u>7,347</u>	<u>87,742</u>	<u>87,742</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Totals	
27215	
Budget	Actual
\$ 95,089	\$ 95,089
-	-
-	-
-	-
-	-
-	-
<u>95,089</u>	<u>95,089</u>
18,951	18,951
6,753	6,753
1,371	1,371
-	-
412	412
<u>27,487</u>	<u>27,487</u>
2,713	2,713
<u>30,200</u>	<u>30,200</u>
<u>64,889</u>	<u>64,889</u>
<u>95,089</u>	<u>95,089</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27415
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	In School Youth		Out of School Youth	
	474-633		474-636	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 168,226	\$ 168,226	\$ 342,340	\$ 342,340
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	<u>168,226</u>	<u>168,226</u>	<u>342,340</u>	<u>342,340</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	74,748	74,748	114,284	114,284
Employee benefits	28,735	28,735	45,546	45,546
Travel	4,481	4,481	7,341	7,341
Contracts	-	-	-	-
Other	3,182	3,182	5,258	5,258
Total direct expenses	<u>111,146</u>	<u>111,146</u>	<u>172,429</u>	<u>172,429</u>
Shared expenses applied	<u>11,595</u>	<u>11,595</u>	<u>18,111</u>	<u>18,111</u>
Sub-total expenditures	<u>122,741</u>	<u>122,741</u>	<u>190,540</u>	<u>190,540</u>
Sub-recipients/sub-grantees	<u>45,485</u>	<u>45,485</u>	<u>151,800</u>	<u>151,800</u>
Total expenditures	<u>168,226</u>	<u>168,226</u>	<u>342,340</u>	<u>342,340</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Incentive 474-683		Transition 474-684		Totals 27415	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 6,077	\$ 6,077	\$ 6,236	\$ 6,236	\$ 522,879	\$ 522,879
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>6,077</u>	<u>6,077</u>	<u>6,236</u>	<u>6,236</u>	<u>522,879</u>	<u>522,879</u>
-	-	4,250	4,250	193,282	193,282
-	-	1,362	1,362	75,643	75,643
-	-	-	-	11,822	11,822
-	-	-	-	-	-
<u>6,077</u>	<u>6,077</u>	<u>-</u>	<u>-</u>	<u>14,517</u>	<u>14,517</u>
6,077	6,077	5,612	5,612	295,264	295,264
-	-	624	624	30,330	30,330
<u>6,077</u>	<u>6,077</u>	<u>6,236</u>	<u>6,236</u>	<u>325,594</u>	<u>325,594</u>
-	-	-	-	197,285	197,285
<u>6,077</u>	<u>6,077</u>	<u>6,236</u>	<u>6,236</u>	<u>522,879</u>	<u>522,879</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
WORKFORCE INVESTMENT ACT - 27115
PERIOD PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Administration		Dislocated Worker	
	475-630		475-634	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 36,663	\$ 36,663	\$ 455,578	\$ 455,578
State	-	-	-	-
Local funds applied	-	-	-	-
Program income	-	-	-	-
Interest income	-	-	-	-
Local income	-	-	-	-
Total revenues	36,663	36,663	455,578	455,578
EXPENDITURES:				
Direct Expenses:				
Salaries	17,355	17,355	114,235	114,235
Employee benefits	5,426	5,426	43,449	43,449
Travel	2,651	2,651	1,599	1,599
Contracts	-	-	-	-
Other	8,688	8,688	2,858	2,858
Total direct expenses	34,120	34,120	162,141	162,141
Shared expenses applied	2,543	2,543	17,963	17,963
Sub-total expenditures	36,663	36,663	180,104	180,104
Sub-recipients/sub-grantees	-	-	275,474	275,474
Total expenditures	36,663	36,663	455,578	455,578
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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Totals	
27115	
Budget	Actual
\$ 492,241	\$ 492,241
-	-
-	-
-	-
-	-
-	-
<u>492,241</u>	<u>492,241</u>
131,590	131,590
48,875	48,875
4,250	4,250
-	-
<u>11,546</u>	<u>11,546</u>
196,261	196,261
<u>20,506</u>	<u>20,506</u>
216,767	216,767
<u>275,474</u>	<u>275,474</u>
<u>492,241</u>	<u>492,241</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
COMMODITIES
PERIOD OF PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Commodities		Commodities	
	318-615		325-618	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 55,000	\$ 51,047	\$ 85,000	\$ 72,398
State	-	-	-	-
Federal commodities	-	-	590,068	590,068
Local funds applied	-	-	-	-
Interest income	-	-	-	124
Local revenue	-	-	-	-
Total revenues	55,000	51,047	675,068	662,590
EXPENDITURES:				
Direct Expenses:				
Salaries	17,646	17,079	38,505	38,165
Employee benefits	5,149	5,296	13,629	13,951
Travel	2,000	384	2,000	1,245
Contracts	24,000	24,000	12,000	12,000
Other	3,082	1,751	11,724	1,291
Total direct expenses	51,877	48,510	77,858	66,652
Shared expenses applied	3,123	2,537	7,142	5,870
Sub-total expenditures	55,000	51,047	85,000	72,522
Sub-recipients/sub-grantees	-	-	590,068	590,068
Total expenditures	55,000	51,047	675,068	662,590
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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Commodities	
Totals	
Budget	Actual
\$ 140,000	\$ 123,445
-	-
590,068	590,068
-	-
-	124
-	-
<u>730,068</u>	<u>713,637</u>
56,151	55,244
18,778	19,247
4,000	1,629
36,000	36,000
14,806	3,042
<u>129,735</u>	<u>115,162</u>
10,265	8,407
140,000	123,569
<u>590,068</u>	<u>590,068</u>
<u>730,068</u>	<u>713,637</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
SUPPORTIVE HOUSING
PERIOD OF PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Rural Case Management Administration 329-690		Rural Case Management 329-691	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 2,594	\$ 1,706	\$ 22,766	\$ 22,766
State	10,000	8,928	-	-
Local funds applied	-	-	-	-
Match - In kind	-	-	5,692	5,692
Local revenue	-	-	-	-
Total revenues	12,594	10,634	28,458	28,458
EXPENDITURES:				
Direct Expenses:				
Salaries	7,500	6,764	-	-
Employee benefits	3,394	2,666	-	-
Travel	200	113	-	-
Contracts	-	-	-	-
Other	-	-	-	-
Total direct expenses	11,094	9,543	-	-
Shared expenses applied	1,500	1,091	-	-
Sub-total expenditures	12,594	10,634	-	-
Sub-recipients/sub-grantees	-	-	28,458	28,458
Total expenditures	12,594	10,634	28,458	28,458
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

Planks I Administration 329-692		Planks I Program 329-693		Supportive Housing Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 15,032	\$ 13,432	\$ 434,214	\$ 319,452	\$ 474,606	\$ 357,356
10,000	8,955	-	-	20,000	17,883
84	84	-	(3)	84	81
-	-	64,734	53,067	70,426	58,759
-	-	-	-	-	-
<u>25,116</u>	<u>22,471</u>	<u>498,948</u>	<u>372,516</u>	<u>565,116</u>	<u>434,079</u>
16,000	14,131	-	-	23,500	20,895
5,514	5,514	-	-	8,908	8,180
146	146	-	-	346	259
-	-	-	-	-	-
<u>430</u>	<u>430</u>	<u>-</u>	<u>-</u>	<u>430</u>	<u>430</u>
22,090	20,221	-	-	33,184	29,764
<u>3,026</u>	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>4,526</u>	<u>3,341</u>
25,116	22,471	-	-	37,710	33,105
-	-	498,948	372,516	527,406	400,974
<u>25,116</u>	<u>22,471</u>	<u>498,948</u>	<u>372,516</u>	<u>565,116</u>	<u>434,079</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
LOAN PROGRAM
PERIOD OF PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Revolving Loan Admin.		Revolving Loan	
	180-712		180-713	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ (3,650)
State	-	-	-	-
Local funds applied	10,819	10,819	-	-
Interest income	8,516	8,516	-	3,650
Total revenues	<u>19,335</u>	<u>19,335</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	10,801	10,801	-	-
Employee benefits	4,270	4,270	-	-
Travel	-	-	-	-
Contracts	1,721	1,721	-	-
Other	768	768	-	-
Total direct expenses	<u>17,560</u>	<u>17,560</u>	<u>-</u>	<u>-</u>
Shared expenses applied	<u>1,775</u>	<u>1,775</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	<u>19,335</u>	<u>19,335</u>	<u>-</u>	<u>-</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>19,335</u>	<u>19,335</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
\$ -	\$ (3,650)
-	-
10,819	10,819
8,516	12,166
<u>19,335</u>	<u>19,335</u>
10,801	10,801
4,270	4,270
-	-
1,721	1,721
768	768
<u>17,560</u>	<u>17,560</u>
1,775	1,775
<u>19,335</u>	<u>19,335</u>
-	-
<u>19,335</u>	<u>19,335</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
JOINT FUNDING ADMINISTRATION
PERIOD OF PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Economic Development		CDBG	
	150-120		150-125	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 66,700	\$ 66,700	\$ 22,000	\$ 22,000
State	14,800	14,800	22,000	22,000
Local funds applied	-	-	-	530
Interest income	-	-	-	-
Total revenues	81,500	81,500	44,000	44,530
EXPENDITURES:				
Direct Expenses:				
Salaries	50,591	52,054	27,549	28,668
Employee benefits	20,343	19,109	10,218	10,470
Travel	700	1,571	900	1,109
Contracts	-	-	-	-
Other	-	1,180	176	22
Total direct expenses	71,634	73,914	38,843	40,269
Shared expenses applied	9,866	7,586	5,157	4,261
Sub-total expenditures	81,500	81,500	44,000	44,530
Sub-recipients/sub-grantees	-	-	-	-
Total expenditures	81,500	81,500	44,000	44,530
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	\$ 89,200	\$ 89,200
136,298	136,298	2,000	2,000	175,098	175,098
-	153	-	-	-	683
-	-	-	-	-	-
136,298	136,451	2,500	2,500	264,298	264,981
83,906	82,233	1,434	1,602	163,480	164,557
32,753	31,976	541	637	63,855	62,192
2,000	4,086	-	-	3,600	6,766
-	-	-	-	-	-
1,710	5,777	229	-	2,115	6,979
120,369	124,072	2,204	2,239	233,050	240,494
15,929	12,379	296	261	31,248	24,487
136,298	136,451	2,500	2,500	264,298	264,981
-	-	-	-	-	-
136,298	136,451	2,500	2,500	264,298	264,981
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER FEDERAL CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Ky Works		PCW Social Innovation Fund	
	112-674		113-740	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 815,870	\$ 815,870	\$ 31,546	\$ 31,546
State	-	-	-	-
Local funds applied	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	815,870	815,870	31,546	31,546
EXPENDITURES:				
Direct Expenses:				
Salaries	344,183	344,183	3,208	3,208
Employee benefits	136,583	136,583	1,347	1,347
Travel	22,732	22,732	5	5
Contracts	62,281	62,281	-	-
Other	56,918	56,918	3	3
Total direct expenses	622,697	622,697	4,563	4,563
Shared expenses applied	54,258	54,258	464	464
Sub-total expenditures	676,955	676,955	5,027	5,027
Sub-recipients/sub-grantees	138,915	138,915	26,519	26,519
Total expenditures	815,870	815,870	31,546	31,546
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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

KADIS 155-825		NKY Transportation Planning 170-663		Brownfield Assessment 177-870	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 12,850	\$ 12,850	\$ 10,000	\$ 10,000	\$ 13,000	\$ 12,367
-	-	-	-	-	-
9,820	9,820	3,817	3,817	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>22,670</u>	<u>22,670</u>	<u>13,817</u>	<u>13,817</u>	<u>13,000</u>	<u>12,367</u>
14,340	14,340	8,767	8,767	7,485	6,421
5,827	5,827	3,338	3,338	3,059	2,535
259	259	57	57	500	2,068
-	-	-	-	-	-
-	-	74	74	516	311
<u>20,426</u>	<u>20,426</u>	<u>12,236</u>	<u>12,236</u>	<u>11,560</u>	<u>11,335</u>
<u>2,244</u>	<u>2,244</u>	<u>1,581</u>	<u>1,581</u>	<u>1,440</u>	<u>1,032</u>
22,670	22,670	13,817	13,817	13,000	12,367
-	-	-	-	-	-
<u>22,670</u>	<u>22,670</u>	<u>13,817</u>	<u>13,817</u>	<u>13,000</u>	<u>12,367</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER FEDERAL CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Brownfield RLF		Home Tennant-Based Rental	
	181-712		329-698	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ 51,102	\$ 51,102	\$ 2,901	\$ 2,901
State	-	-	-	-
Local funds applied	-	-	-	-
Interest income	1	1	-	-
Local revenue	-	-	-	-
Total revenues	<u>51,103</u>	<u>51,103</u>	<u>2,901</u>	<u>2,901</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	3,890	3,890	-	-
Employee benefits	1,166	1,166	-	-
Travel	2,076	2,076	-	-
Contracts	43,493	43,493	-	-
Other	-	-	-	-
Total direct expenses	<u>50,625</u>	<u>50,625</u>	<u>-</u>	<u>-</u>
Shared expenses applied	<u>478</u>	<u>478</u>	<u>-</u>	<u>-</u>
Sub-total expenditures	<u>51,103</u>	<u>51,103</u>	<u>-</u>	<u>-</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>2,901</u>	<u>2,901</u>
Total expenditures	<u>51,103</u>	<u>51,103</u>	<u>2,901</u>	<u>2,901</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 Federal Contracts Totals	
Budget	Actual
\$ 937,269	\$ 936,636
-	-
13,637	13,637
1	1
-	-
<u>950,907</u>	<u>950,274</u>
381,873	380,809
151,320	150,796
25,629	27,197
105,774	105,774
57,511	57,306
<u>722,107</u>	<u>721,882</u>
60,465	60,057
782,572	781,939
<u>168,335</u>	<u>168,335</u>
<u>950,907</u>	<u>950,274</u>
<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER STATE CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Public Transit		Transportation Planning	
	154-154		170-660	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	37,645	37,645	78,067	78,065
Local funds applied	-	-	8,695	8,673
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	37,645	37,645	86,762	86,738
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	52,442	53,645
Employee benefits	-	-	21,081	21,204
Travel	-	-	1,300	1,744
Contracts	15,450	15,450	-	-
Other	22,195	22,195	1,900	1,686
Total direct expenses	37,645	37,645	76,723	78,279
Shared expenses applied	-	-	10,039	8,459
Sub-total expenditures	37,645	37,645	86,762	86,738
Sub-recipients/sub-grantees	-	-	-	-
Total expenditures	37,645	37,645	86,762	86,738
Excess revenues (expenditures) before transfers to (from)	-	-	-	-
Transfers to (from)	-	-	-	-
Excess revenues (expenditures)	\$ -	\$ -	\$ -	\$ -

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21,200	19,359	84,500	84,550	39,229	39,229
-	2,052	-	-	-	-
-	1	-	-	-	-
-	-	-	-	-	-
21,200	21,412	84,500	84,550	39,229	39,229
11,583	13,867	52,030	48,916	14,755	14,755
4,308	5,130	19,592	18,134	5,868	5,868
1,000	222	800	3,124	134	134
-	-	-	-	-	-
2,139	-	2,299	6,842	16,218	16,218
19,030	19,219	74,721	77,016	36,975	36,975
2,170	2,193	9,779	7,534	2,254	2,254
21,200	21,412	84,500	84,550	39,229	39,229
-	-	-	-	-	-
21,200	21,412	84,500	84,550	39,229	39,229
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER STATE CONTRACTS
PERIOD OF PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	Hazard Mitigation		SPGE Training	
	174-956		178-782	
	Budget	Actual	Budget	Actual
REVENUES:				
Federal	\$ -	\$ -	\$ -	\$ -
State	101	101	5,000	5,000
Local funds applied	-	-	-	-
Interest income	-	-	-	-
Local revenue	-	-	-	-
Total revenues	<u>101</u>	<u>101</u>	<u>5,000</u>	<u>5,000</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	3,192	3,268
Employee benefits	-	-	1,290	1,146
Travel	-	-	-	89
Contracts	-	-	-	-
Other	101	101	(94)	-
Total direct expenses	<u>101</u>	<u>101</u>	<u>4,388</u>	<u>4,503</u>
Shared expenses applied	<u>-</u>	<u>-</u>	<u>612</u>	<u>497</u>
Sub-total expenditures	<u>101</u>	<u>101</u>	<u>5,000</u>	<u>5,000</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>101</u>	<u>101</u>	<u>5,000</u>	<u>5,000</u>
Excess revenues (expenditures) before transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers to (from)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCL2/PDS Services		TBI		Other State Contracts	
234-552		334-554		Totals	
Budget	Actual	Budget	Actual	Budget	Actual
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
207,725	207,725	192	192	473,659	471,866
-	-	-	-	8,695	10,725
-	-	-	-	-	1
-	-	-	-	-	-
207,725	207,725	192	192	482,354	482,592
-	-	-	-	134,002	134,451
-	-	-	-	52,139	51,482
-	-	-	-	3,234	5,313
-	-	-	-	15,450	15,450
-	-	192	192	44,950	47,234
-	-	192	192	249,775	253,930
-	-	-	-	24,854	20,937
-	-	192	192	274,629	274,867
207,725	207,725	-	-	207,725	207,725
207,725	207,725	192	192	482,354	482,592
-	-	-	-	-	-
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER LOCAL CONTRACTS
BY DIVISION
PERIOD OF PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	<u>General Administration</u>		<u>Human Services Division</u>	
	Various		Various	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
REVENUES:				
Local funds applied	\$ -	\$ (82,478)	\$ -	\$ -
Interest income	-	777	25	25
Local revenue	11,500	17,541	191,262	192,995
Local contributions	160,000	163,010	-	-
Total revenues	<u>171,500</u>	<u>98,850</u>	<u>191,287</u>	<u>193,020</u>
EXPENDITURES:				
Direct Expenses:				
Salaries	-	-	22,861	22,861
Employee benefits	-	-	8,039	8,039
Travel	-	12,635	3,315	3,315
Contracts	-	-	-	-
Other	55,000	41,711	38,971	38,971
Total direct expenses	<u>55,000</u>	<u>54,346</u>	<u>73,186</u>	<u>73,186</u>
Shared expenses applied	<u>-</u>	<u>-</u>	<u>3,453</u>	<u>4,616</u>
Sub-total expenditures	<u>55,000</u>	<u>54,346</u>	<u>76,639</u>	<u>77,802</u>
Sub-recipients/sub-grantees	<u>-</u>	<u>-</u>	<u>114,648</u>	<u>116,381</u>
Total expenditures	<u>55,000</u>	<u>54,346</u>	<u>191,287</u>	<u>194,183</u>
Excess revenues (expenditures) before transfers to (from)	<u>116,500</u>	<u>44,504</u>	<u>-</u>	<u>(1,163)</u>
Transfers to (from):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ 116,500</u>	<u>\$ 44,504</u>	<u>\$ -</u>	<u>\$ (1,163)</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
\$ 2,290	\$ 10,194	\$ 17,803	\$ 17,803	\$ -	\$ -
-	-	-	-	-	-
417,699	412,894	14,673	14,673	183,081	186,783
-	-	-	-	-	-
<u>419,989</u>	<u>423,088</u>	<u>32,476</u>	<u>32,476</u>	<u>183,081</u>	<u>186,783</u>
85,079	87,429	17,278	17,446	108,766	114,795
32,050	32,296	5,080	5,176	45,765	48,184
4,926	4,405	883	883	3,800	3,378
128,817	128,817	-	-	-	-
<u>153,980</u>	<u>156,667</u>	<u>7,361</u>	<u>7,109</u>	<u>8,014</u>	<u>2,012</u>
404,852	409,614	30,602	30,614	166,345	168,369
<u>15,137</u>	<u>13,474</u>	<u>1,874</u>	<u>1,862</u>	<u>16,736</u>	<u>18,414</u>
419,989	423,088	32,476	32,476	183,081	186,783
-	-	-	-	-	-
<u>419,989</u>	<u>423,088</u>	<u>32,476</u>	<u>32,476</u>	<u>183,081</u>	<u>186,783</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF OPERATIONS BY PROGRAM
OTHER LOCAL CONTRACTS
BY DIVISION
PERIOD OF PERFORMANCE: JULY 1, 2014 TO JUNE 30, 2015**

Work Element	<u>Other Local Contracts</u>	
	<u>Totals</u>	
	<u>Budget</u>	<u>Actual</u>
REVENUES:		
Local funds applied	\$ 20,093	\$ (54,481)
Interest income	25	802
Local revenue	818,215	824,886
Local contributions	160,000	163,010
Total revenues	<u>998,333</u>	<u>934,217</u>
EXPENDITURES:		
Direct Expenses:		
Salaries	233,984	242,531
Employee benefits	90,934	93,695
Travel	12,924	24,616
Contracts	128,817	128,817
Other	263,326	246,470
Total direct expenses	729,985	736,129
Shared expenses applied	<u>37,200</u>	<u>38,366</u>
Sub-total expenditures	767,185	774,495
Sub-recipients/sub-grantees	<u>114,648</u>	<u>116,381</u>
Total expenditures	<u>881,833</u>	<u>890,876</u>
Excess revenues (expenditures) before transfers to (from)	<u>116,500</u>	<u>43,341</u>
Transfers to (from):	<u>-</u>	<u>-</u>
Excess revenues (expenditures)	<u>\$ 116,500</u>	<u>\$ 43,341</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
STATEMENT OF ALLOCATED COSTS CLAIMED
YEAR ENDED JUNE 30, 2015**

	<u>Costs Claimed</u>
Shared Expenses:	
Salaries	\$ 46,773
Employee benefits	1,212
Travel	12,400
Contractual	78,548
Other	
Financing costs	78,280
Miscellaneous	73,459
Depreciation	52,807
Insurance	68,097
Postage	9,786
Telephone	10,570
Consumable supplies	25,242
Utilities	26,356
Computer software and hardware	9,244
Janitor service	12,990
Organizational dues	2,814
Registration	1,982
Marketing and advertising	2,384
Total other	374,011
Total shared expenses	512,944
Shared expenses allocated (1)	(512,944)
Shared expenses over applied	\$ -

Explanatory Notes:

- (1) Shared costs are distributed on the basis of total direct salaries and employee benefits. The total shared expenses allocated is approximately 11% of total direct salaries and employee benefits.

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

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, RC Durr YMCA of Greater Cincinnati, Owenton Manor, Wyatt's SuperVal, Community Services of NKY, and Carroll County Detention Center, 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 of Greater Cincinnati
- 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, 2015, 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 March 2, 2016.

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. Accordingly, we do not express 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 March 2, 2016.

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
March 2, 2016

**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

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, 2015. 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, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is disclosed in the accompanying schedule of findings and questioned costs as item 2015-1. 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 finding 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 response.

Report on Internal Control over Compliance

Management of Northern Kentucky Area Development District is responsible for establishing and maintaining effective internal control over compliance with the requirements referred to above. In planning and performing our audit of compliance, we considered the Northern Kentucky Area Development District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Northern Kentucky Area Development District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015-1 to be a significant deficiency.

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 response.

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

We also noted certain matters that we reported to management of the Northern Kentucky Area Development District, in a separate letter dated March 2, 2016.

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
March 2, 2016

REQUIRED SUPPLEMENTARY INFORMATION

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's ID Number
U. S. Department of Agriculture		
Commodity Supplemental Food Program	10.565	PON2-1400001980 1
The Emergency Food Assistance Cluster:		
CASH:		
The Emergency Food Assistance Program (Administration)	10.568	PON2-035 1400001969 1
NONCASH:		
The Emergency Food Assistance Program (Food Commodities)	10.569	PON2-035 1400001969 1
Sub-total for the Emergency Food Assistance Cluster		
Sub-total for U.S. Department of Agriculture		
U. S. Department of Commerce		
Passed through Governors Office of Local Development:		
Economic Development Administration - 301B	11.302	PON2-1500000215
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	PON2-1500000215
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	27015
Workforce Investment Act - Adult Program	17.258	27315
Workforce Investment Act - Youth Activities	17.259	27414
Workforce Investment Act - Youth Activities	17.259	27415
Workforce Investment Act - Impact Award	17.259	27415
Workforce Investment Act - Dislocated Workers	17.278	27214
Workforce Investment Act - Dislocated Workers	17.278	27114
Workforce Investment Act - Dislocated Workers	17.278	27215
Workforce Investment Act - Dislocated Workers	17.278	27115
Sub-total for Workforce Investment Act Cluster		
Workforce Investment Act - National Emergency Grant	17.277	25813
Workforce Investment Act - National Emergency Grant	17.277	25813

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

<u>Program Award Amounts</u>	<u>Federal Expenditures</u>
\$ 75,000	\$ 51,047
100,000	72,398
	<u>590,068</u>
	<u>662,466</u>
	713,513
67,200	67,200
500,000	473,513
50,400	12,850
	<u>553,563</u>
449,246	332,884
25,360	24,472
	<u>357,356</u>
22,000	22,000
2,901	2,901
	<u>382,257</u>
14,481	1,718
613,274	150,756
52,587	46,637
665,709	597,103
650,280	117,895
725,519	516,802
50,000	6,077
82,064	691
1,094,582	446,936
104,877	95,089
634,933	492,241
	<u>2,471,945</u>
1,236,574	130,940
42,471	5,966

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

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 - National Emergency Grant	17.277	25815
Trade Adjustment Assistance	17.245	20512
Trade Adjustment Assistance	17.245	20513
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 Assessment/Cleanup Cooperative Agreements	66.818	BF-00D24914-0
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 1400001066 1
Title III, Part B Support Services (Administration)	93.044	PON2-725 1400001066 1
Title III, Part C Nutrition Services (Administration)	93.045	PON2-725 1400001066 1
Title III, Part C Nutrition Services	93.045	PON2-725 1400001066 1
Title III, Part C Nutrition Services	93.045	PON2-725 1400001066 1
Nutrition Services Incentive Program, NSIP	93.053	PON2-725 1400001074 1
Sub-total for Aging Cluster		
Title VII, Elder Abuse Prevention	93.041	PON2-725 1400001066 1
Title VII, Ombudsman	93.042	PON2-725 1400001066 1
Title VII, Ombudsman Education	93.042	PON2-725 1400001066 1
Title III, Part E Family Caregiver Support (Administration)	93.052	PON2-725 1400001066 1
Title III, Part E Family Caregiver Support	93.052	PON2-725 1400001066 1
Title III, Part D Preventive Health	93.043	PON2-725 1400001066 1
Centers for Medicare & Medicaid Services, CMS - (SHIP)	93.779	PON2-725 1400001161 1
Improving Arthritis Outcomes	93.945	PON2-725 1400001066 1
Functional Assessment Service Terms	93.069	PON2-725 1400001163 1
Chronic Disease Self Management Education	93.725	PON2-725 1400001162 1
MIPPA SHIP	93.071	PON2-725 1400001168 1
MIPPA AAA	93.071	PON2-725 1400001168 1
MIPPA ADRC	93.071	PON2-725 1400001168 1
HBE	93.945	PON2-725 1400001167 1
Temporary Assistance for Needy Families - KY Works	93.558	PON2-736 1400001472-1
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		

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

Program Award Amounts	Federal Expenditures
149,266	31,267
803,182	74,052
507,233	365,151
	<u>3,079,321</u>
10,000	10,000
	<u>10,000</u>
12,367	12,367
850,000	51,102
	<u>63,469</u>
396,904	396,737
48,030	42,288
38,457	34,157
274,314	190,390
228,643	171,276
69,478	23,548
	<u>858,396</u>
5,009	5,002
8,477	8,477
15,000	4,300
12,807	12,807
127,753	117,307
20,529	20,529
48,838	48,472
6,000	2,512
2,000	574
14,540	8,285
32,297	24,232
15,580	11,685
6,750	1,057
78,582	55,145
951,660	815,870
	<u>1,994,650</u>
31,546	31,546
	<u>6,828,319</u>
	<u>6,238,251</u>
	<u>590,068</u>

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

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Northern Kentucky Area Development District. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of NKADD, it is not intended to and does not present the financial position, changes in net position or cash flows of the NKADD. Although many of these programs are jointly funded by Federal, Kentucky and local sources, only Federal expenditures are reported on this schedule. The amounts shown are based on the Federal share of the combined allocations.

Note 2 – Summary of Significant Accounting

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

Note 3 - Sub-Grantees/Sub-Recipients

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

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided to Subrecipients</u>
Commodities	10.569	\$ 590,068 (F)
Nutrition Services Incentive Program, NSIP	93.053	23,548 (F)
Supportive Housing	14.235	342,215 (F/S)
Workforce Investment Act	17.245, 17.258, 17.259, 17.277, 17.278	1,861,148 (F/S)
Title VII, Elder Abuse Prevention	93.041	5,002 (F)
Title VII, Ombudsman	93.042	8,477 (F)
Title III, Part B Support Services	93.044	473,907 (F/S)
Title III, Part C Nutrition Services	93.045	435,664 (F/S)
Title III, Part E Caregiver Support	93.052	77,239 (F/S)
Title III, Part D Preventive Health	93.043	70,000 (F/S)
Home Tenant-Based Rental Assistance	14.239	2,901 (F)
Centers for Medicare and Medicaid Services, CMS - SHIP	93.779	46,396 (F)
MIPPA AAA & ADRC	93.071	35,908 (F)
Social Innovation Fund, PCW Exchange	94.019	26,519 (F)
Temporary Assistance for Needy Families – KY Works	93.558	<u>138,915 (F)</u>
Total		\$ <u>4,137,907</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, 2015**

Note 4 - Revolving Loan Fund Calculation

Balance of loans outstanding	\$269,743
Plus: Cash and investment balance	195,254
Plus: Administrative expenses	8,516
Less: Loans written off during the fiscal year	<u>-</u>
Subtotal	473,513
Multiplied by federal share of initial capitalization	<u>100%</u>
 Total	 <u>\$473,513</u>

Note 5 – Reconciliation of Federal Revenues

Statement of Revenues, Expenditures and Changes in Fund Balance (page 10)	
Federal Revenues	\$6,279,688
Less: CDO (Federal Medicaid)	(518,600)
Adjustment for Revolving Loan Fund	
Amount reported on page 10	3,650
Amount reported on page 111	<u>473,513</u>
 Federal Expenditures–Cash	
Schedule of Expenditures of Federal Awards (page 113)	<u>\$6,238,251</u>

**NORTHERN KENTUCKY AREA DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2015**

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	Yes
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	Yes
Identification of major programs: CFDA Number(s)	<ul style="list-style-type: none"> • Emergency Food Assistance Cluster [CFDA 10.565, 10.568, and 10.569] • Aging Cluster [CFDA 93.044, 93.045, and 93.053] • Supportive Housing Program [CFDA 14.235] • National Family Caregiver Support Title III, Part E [CFDA 93.052]
Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as 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, 2015
(Continued)**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Compliance and Other Matters

Item 2015-001

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.

Effect: As the ending inventory per the monthly USDA inventory reports did not agree to the physical count, the reports submitted to the USDA were potentially inaccurate.

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, 2014**

PRIOR YEAR - FINANCIAL STATEMENT FINDINGS

None

PRIOR YEAR - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Compliance and Other Matters

Item 2014-001

Supportive Housing – CFDA 14.235

Brief Summary: 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.

Status Update: During current year testing, there were no instances noted where the cash was not disbursed timely.

Item 2014-002

Emergency Food Assistance Program – CFDA 10.568 and CFDA 10.569

Brief Summary: 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.

Status Update: During testing in the current year, we noted the USDA inventory reports did not agree to the monthly physical inventory counts. Therefore, we will repeat the recommendation in the current year. The total pounds distributed per the USDA inventory reports agreed to the signed warehouse order/pick documents for the month within an immaterial difference.