

Russell County Local Board of Health Meeting  
Tuesday February 6, 2018  
6:00 PM CST

**AGENDA**

Call to order by Chairman

Minutes of the last meeting

Health Education-Shirley Roberson & Tracy Aaron

- Russell County Health Policy and Promotion Updates

**Old Business**

**New Business**

Set tax rate

Approve budget

Board members that term expire 12/2018:

- Susanne Watkins, Terry Waddell, Don Cooper, Karen Dalton, Connie Blankenship,  
Leslie C. Wade

Local members to serve on the district board

Review of 2017 Audit

Comments from the Director

Election of Officers

**Meeting Adjourned**



# Russell County Health Department

211 Fruit of The Loom Drive • PO Box 378  
Jamestown, Kentucky 42629  
Phone: 270-343-2181 • Fax: 270-343-2183

[www.lcdhd.org](http://www.lcdhd.org)

A Healthy Today for a Brighter Tomorrow  
RUSSELL COUNTY BOARD OF HEALTH

## Meeting Minutes February 21, 2017

The Annual meeting of the Russell County Board of Health was called to order by the chairman, Hon. Gary Robertson, at 6:26 PM on Tuesday, February 21, 2017, in the conference room at the Russell County Health Department in Jamestown, Ky. Shawn Crabtree, secretary, was present.

### MEMBERS PRESENT

Gary Robertson, Chairman/County Judge Executive  
Susanne Watkins, O.D.  
Richard Miles, M.D.  
Leslie Wade, D.V.M.  
Stephanie Jones, M.D.  
H. James Popplewell, D.M.D  
Karen Dalton, RN, Treasurer  
Terry Waddell, Fiscal Court Member  
Don Cooper, Lay Member  
Connie Blankenship

### MEMBERS ABSENT

Robert Bertram, M.D.  
Charles Gore, R. Ph.

### OTHERS PRESENT

Leah Jasper, Administrator of Financial Services, LCDHD  
Tracy Aaron, Health Education Director, LCDHD  
Jane Jones, Secretary/Office Manager, Russell County Health Department  
Beverly Brockman, Nursing Supervisor, Russell County Health Department  
Shirley Robertson, Community Health Educator III, Russell County Health Department

**Russell County Board of Health Minutes**  
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**WELCOME**

Board Chairman, Gary Robertson, welcomed all board members and health department staff. A quorum was present.

**APPROVAL OF MINUTES**

A copy of the minutes from last year's board minutes was handed out to each board member upon arrival for review. The minutes were approved without any additions or corrections with the motion to accept made by Don Cooper and seconded by Terry Waddell. All agreed.

**OLD BUSINESS**

Mr. Crabtree gave an update on the budget from last year and stated all line items had been purchased and/or completed.

**NEW BUSINESS**

**HEALTH EDUCATION**

Health Educator Shirley Roberson Daulton shared with the board (CHIP) Community Health Improvement Plan progress being made with the community partners of the Russell County Health and Wellness Coalition.

A Harm Reduction/Syringe Exchange Program presentation was given by Dr. Richard Miles to the Board. The presentation included information regarding Hepatitis C, HIV and Drug Overdose data. The District Board of Health approved the Health and Wellness coalition to move forward educating the community on the need for a Syringe Exchange Program.

**AUTOMATIC BANK DRAFT FOR BUILDING LOAN**

A request was made by Jane Jones for the board to approve the automatic draft of the Taxing District building loan payment from the Bank of Jamestown to First National Bank Russell Springs on a monthly basis. Currently a paper check is being written and has to be signed by two board signatories for each payment. An automatic draft would be more efficient. A motion was made by Karen Dalton to approve automatic bank draft and seconded by Dr. Jones. All agreed.

**POTENTIAL LAND SALE OF TAXING DISTRICT PROPERTY**

Judge Robertson stated that he had been approached by Jackie Aaron construction regarding the potential sale of land owned by the Taxing District. It would be approximately 2.49 acres of the East side



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of the property that includes a power line easement. Judge Robertson proposed that an appraisal of the property be completed prior to any additional discussion of land sale. Motion made by Dr. Miles to approve the land appraisal and seconded by Karen Dalton. All Agreed.

### APPOINTEES TO DISTRICT BOARD

Dr. Susanne Watkins and Dr. Richard Miles currently serve on the District Board. Both agreed to continue on the District Board. Dr. Jones nominated both Dr. Watkins and Dr. Miles to continue their service. Karen Dalton seconded the motion. All agreed.

### 2015-2016 BOARD MEMBERS

Six of the current board members have terms expiring December 31, 2017. They are: Charles Gore, RPh; Stephanie Jones, MD; H. James Popplewell, DMD; Richard Miles, MD; and Robert Bertram, MD. All agreed to continue to serve on the Board for another term. Motion to re-nominate current board members expiring, pending State approval, made by Dr. Miles, seconded by Mr. Cooper. All agreed.

### BUDGET

Line items requested in the new budget included: paying KALBOH and KPHA fees; Landscaping x2, \$1,500; Painting of clinic and waiting rooms, \$3,000; snow removal, \$500; Seasonal décor, \$300; and Patio cushions x4, \$500. Mr. Crabtree explained the remainder of the budget in detail so that all board members were aware of the day-to-day operations of the local health department.

The Russell County Health Department will be entering into Electronic Medical Records (EMR) possibly in the upcoming fiscal year. Possible items needed to complete the transition include: six computers, \$9000; one laser printer, \$700; one laser printer, \$700; four scanners, \$1600; two network switches, \$1600; two battery backups, \$700 and one backup server, \$1500.

Mr. Crabtree then presented the budget with three proposed versions. The only differences in the budget versions being comparison scenarios of tax rates and revenue. The current rate of 4.5 cents will have the taxing district close out at an approximate \$36,137 deficit. For a break even budget, the tax rate would need to increase to 4.85 cents and if increased to 4.95 cents, the taxing district would close at an approximate \$11,885 gain. The maturity date of the building note is 10/19/2030. Motion to approve the current budget made by Dr. Miles and seconded by Dr. Wade. All agreed.

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TAX RATE

Judge Robertson stated he would recommend keeping the current tax rate of 4.5 cents. Dr. Miles moved to leave the tax rate at 4.5 cents across the board; seconded by Dr. Wade. All agreed.

AUDIT

Mr. Crabtree reported Ray, Foley Hensley & Company, PLLC conducted the annual audit of the Russell County Taxing District. Based on the information obtained by the auditing firm, the Russell County Public Health Taxing District had a clean audit. A copy of the final summation was given to each board member. Motion to accept audit report made by Dr. Jones, seconded by Dr. Watkins. All agreed.

EXECUTIVE DIRECTOR'S COMMENTS

Mr. Crabtree discussed State and Federal funding received last year by LCDHD and the status of Medicaid and Medicare reimbursements. He projected that amounts for the next fiscal year should be in line with previous year funding.

ELECTION OF OFFICERS

Current officers are as follows: Chair – Judge Gary Robertson, Vice Chair – Don Cooper, Treasurer – Karen Dalton, RN, Secretary – Shawn D. Crabtree.

All officers agreed to continue in their elected positions for the next fiscal year. Motion to keep all officers in place made by Dr. Miles and seconded by Dr. Popplewell. All agreed.

Judge Robertson declared the meeting adjourned at 7:46 PM upon the motion by Karen Dalton and seconded by Dr. Jones. All agreed. Meeting adjourned.

\_\_\_\_\_  
Hon. Gary D. Robertson, Chairman

\_\_\_\_\_  
Shawn D. Crabtree, Secretary

# Russell County

2017 Health Snapshot

Health Promotion  
and Policy Division

Population: 17,662

## Smoking

24%

SINCE 2014, SMOKING\* DECREASED  
FROM 31% TO 24%

26.5% of people in **Kentucky** smoke compared  
with 19% nationally



*\* Percentage of adults*

## Obesity

35%

SINCE 2014, OBESITY\* INCREASED  
FROM 32% TO 35%

33.2% of people in **Kentucky** are obese  
compared with 29.4% nationally



*\* Percentage of adults*

## Physical Inactivity

33%

SINCE 2014, PHYSICAL INACTIVITY\*  
DECREASED FROM 38% TO 33%

27.4% of people in **Kentucky** are physically  
inactive compared with 23.5% nationally



*Physical Inactivity - Percentage of adults aged 20 and over reporting no  
leisure-time physical activity.*

*\* Percentage of adults*

## Teen Births

75

TEEN BIRTHS RATES\* DECREASED  
FROM a rate of 84 TO 75

teen birth rate in **Kentucky** is 44



*\* Number of births per 1,000 female population ages 15-19*

**Health is a state of complete physical, mental, and social well-being  
and not merely the absence of disease or infirmity.**

World Health Organization

Shirley Roberson-Daulton, BS, CCHC, Health Educator 3  
Russell County Health Department  
211 Fruit of The Loom Drive, Jamestown, KY 42629  
270-343-2181 ext. 6233

**AMENDMENT**  
**Russell County**  
**Public Health Taxing District Budget**  
**For Period Beginning July 1, 2017 and Ending June 30, 2018**

	Operating Fund	Capital Fund	Approved Budget @ Current Rate of		Change
			0.045 per \$100 of Assessed Property Value	Proposed Amendment	
<b>Estimated Opening Balance*</b>	\$370,322.37	\$0.00	\$370,322.37	\$396,719.31	\$26,396.94
<b>Budgeted Receipts (All Sources):</b>					
Real Property Taxes	\$353,509.09		\$353,509.09	\$353,509.09	\$0.00
Personal Property Taxes	\$83,546.21		\$83,546.21	\$83,546.21	\$0.00
Motor Vehicle Taxes	\$42,695.77		\$42,695.77	\$42,695.77	\$0.00
Delinquent Tax Collections	\$5,073.72		\$5,073.72	\$5,073.72	\$0.00
Other Taxes (Telecommunication)	\$927.14		\$927.14	\$927.14	\$0.00
Interest Income	\$507.60		\$507.60	\$467.63	(\$39.97)
<i>Total Budgeted Receipts</i>	\$486,259.53	0	\$486,259.53	\$486,219.56	(\$39.97)
<b>Total Funds Available</b>	\$856,581.89	0	\$856,581.89	\$882,938.87	\$26,356.97
<b>Budgeted Expenditures:</b>					
Health Center Operations to LCDHD at 2.8 cents	\$314,223.00		\$314,223.00	\$314,223.00	\$0.00
Building Maintenance & Repair	\$10,000.00		\$10,000.00	\$10,000.00	\$0.00
Furniture & Fixtures	\$2,300.00	0	\$2,300.00	\$2,300.00	\$0.00
Equipment	\$20,100.00		\$20,100.00	\$20,100.00	\$0.00
Professional Services (Audit/Survey)	1,250.00		1,250.00	2,000.00	750.00
Financial Statement Publication	\$600.00		\$600.00	\$600.00	\$0.00
First National Bank Building Loan	\$172,573.79		\$172,573.79	\$172,573.79	\$0.00
Board Members Meetings & KALBOH & KPHA Membership/Other Expense	\$1,350.00		\$1,350.00	\$1,350.00	\$0.00
<i>Total Budgeted Expenditures</i>	\$522,396.79	0	\$522,396.79	\$523,146.79	\$750.00
<b>Balance Remaining</b>	\$334,185.10	0	\$334,185.10	\$359,792.08	\$25,606.97
<b>Net Surplus/Deficit</b>			(\$36,137.26)	(\$36,927.23)	(\$789.97)
<b>Optional - Expenses for Local Mini Grants:</b>					
Grant Opportunity #1					
Grant Opportunity #2					
<b>Total Proposed Grant Options</b>			\$0.00	\$0.00	\$0.00
<i>Total Budgeted Expenditures Including Optional Mini Grants</i>			\$522,396.79	\$523,146.79	\$750.00
<b>Balance Remaining Including Optional Expenses for Local Mini Grants</b>			\$334,185.10	\$359,792.08	\$25,606.97
<b>Net Surplus/Deficit</b>			(\$36,137.26)	(\$36,927.23)	(\$789.97)

Footnote: All tax receipts are budgeted at a 95% collection rate on the tax calculated per \$100 on the assessed value. Interest is calculated at the current effective rate which is 0.10% for checking.

2/6/18

# Childers' Financial Services

205 Parkers Mill Road  
Somerset, Kentucky 42501

Telephone 606/678-4956  
Fax 606/679-8742

Date: June 20, 2017

Re: Russell County Health Department  
Invoice 17-06-136

To: Russell County Public Health Taxing District  
PO Box 397  
Jamestown, Kentucky 42629

This is a statement for the Appraisal Services rendered for the Russell County Public Health Taxing District on the 7<sup>th</sup> day of April 2017 for property located at:

211 Fruit of the Loom Drive  
Jamestown, Kentucky 42629

The total charge for this service is \$750.

Please send payment to:

Childers Financial Services  
205 Parkers Mill Road  
Somerset, KY 42501

It has been a pleasure to work for you and if you have any questions, or if we can be of further service, please do not hesitate to call us at 606/678-4956.

Thank you for your valued business.

Sincerely,



Childers Financial Services



Zimbra

leah.jasper@lcdhd.org

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**Fwd: Health Department Property**

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**From** : Shawn D. Crabtree <shawnd.crabtree@lcdhd.org>

Wed, Jun 21, 2017 01:31 PM

**Subject** : Fwd: Health Department Property**To** : Leah Jasper <Leah.Jasper@lcdhd.org>

Do you want to keep this email with the appraisal? It might make discussion at a special meeting go quicker.

Shawn D. Crabtree, MSSW, MPA  
Director, Lake Cumberland District Health Department  
500 Bourne Avenue, Somerset, KY 42501  
(606) 678-4761  
shawnd.crabtree@lcdhd.org  
www.LCDHD.org  
www.facebook.com/LCDHD  
www.twitter.com/LCDHD  
www.instagram.com/lcdhd\_org  
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**From**: "Shawn Crabtree" <shawnd.crabtree@lcdhd.org>**To**: "Gary D. Robertson" <rcfisct@duo-county.com>, "Jane Jones" <JaneC.Jones@lcdhd.org>, "Leah Jasper" <Leah.Jasper@lcdhd.org>**Sent**: Wednesday, June 21, 2017 10:19:18 AM**Subject**: Health Department Property

Judge Robertson....I have reviewed the appraisal. Jane sent you a copy. The two pages I found most helpful were pages 1, 19 and 46.

When we purchased the property, we purchased 7.49 acres (see pg. 1 of appraisal); (3 tracks added together: 2.58 "east track"; 2.56 acre "middle track" and 2.35 acre "west track"). We paid \$300,000 or about \$40,000 per acre. The land we are considering selling is the 2.58 "east track" (see page 46).

According to the appraisal, the land is worth \$30,000 per acre (see page 19). Using this figure, the 2.58 acre "east track" is valued at about \$75,000. However, if we wanted to get back out of it what we paid for it (\$40,000 per acre), we would ask \$103,200.

If you look at the summary on the bottom of page 18, comparable sales ranged from \$20,579 to \$65,891 per acre or a \$39,126 average.

I guess the Board would need to decide the asking price, \$30,000 or \$40,000 per acre or some other amount.

Where do you want to go from here? Do you want to contact the potential buyer and see if they are still interested? If so, we would need to call a Special Board Meeting to officially decide to sell and to set a asking price per acre.

Shawn D. Crabtree, MSSW, MPA  
Director, Lake Cumberland District Health Department  
500 Bourne Avenue, Somerset, KY 42501  
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www.twitter.com/LCDHD  
www.instagram.com/lcdhd\_org  
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# Childers' Financial Services

205 Parkers Mill Road  
Somerset, Kentucky 42501

Telephone 606/678-4956  
Fax 606/679-8742

**Property Owner:** Russell County Public Health Taxing District

**Address:** 211 Fruit of the Loom Drive

**City:** Jamestown **State:** KY **Zip Code:** 42629

**Client:** Russell County Public Health Taxing District

**Effective Date of Appraisal:** 04/07/2017

**Date of Report:** 06/20/2017

**Appraiser:** Mark H Vaught

**Tract Size:** 7.49-acres

**Site:** The appraised parcel is an improved tract of land on the south side of Fruit of the Loom Drive between its intersection with Hwy 127 and Hoover Road.

The parcel is composed of three contiguous tracts totaling 7.49-acres.

The east tract contains 2.58-acres and has 78.83 feet of road frontage along Fruit of the Loom Drive.

The middle tract contains 2.56-acres and has 174.27 feet of road frontage along Fruit of the Loom Drive.

The west tract contains 2.35-acres and has 163.10 feet of road frontage along Fruit of the Loom Drive.

The east tract is above the road grade of Fruit of the Loom Drive and the middle tract and west tract are at the road grade of Fruit of the Loom Drive. The three tracts have a slight rise to the rear (south).

The parcel has an entrance/exit (on the west tract) onto Fruit of the Loom Drive.

Visibility is good, so ingress and egress are not problems due to site distances.

There is a 100' transmission line easement near the boundary of the east and middle tracts.

The tract is located within the corporate boundaries of Jamestown, in Russell County, Kentucky.

## Improvements

The tract is improved with one building.

It is a 1 ½ story building that contains 16,650 square feet.

The building has 13,781 square feet on the first floor and 2,869 square feet on the second floor.

The building is presumed to be constructed on a concrete footer with concrete block foundation. The building has a concrete slab floor. The building is wood frame, with a brick façade. It has a composite shingle roof with metal gutters and downspouts.

The building has fixed pane windows in metal frames.

The land values can now be determined.

East Tract

$$2.58\text{-acres} \times \$30,000/\text{acre} = \$77,400$$

Rounded to: \$75,000

Middle Tract

$$2.56\text{-acres} \times \$30,000/\text{acre} = \$76,800$$

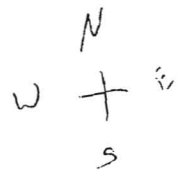
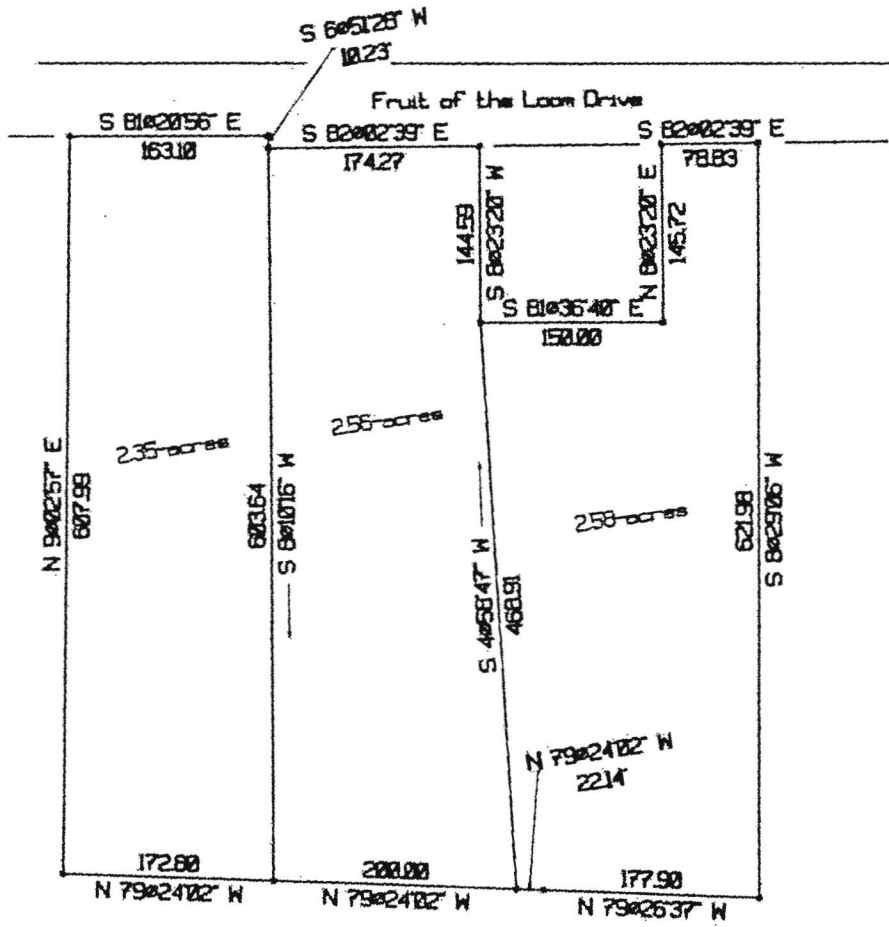
Rounded to: \$75,000

West Tract

$$2.35\text{-acres} \times \$30,000/\text{acre} = \$70,500$$

Rounded to: \$70,000

Visual representation of tract



Russell

FY 17 - 18

Landscaping x2 1,500 - (Done, but haven't received bill)

Painting of clinic and waiting rooms 3,000

Snow removal...500

Seasonal decor 300

Computers (6 prn) 9,000

Laser printer (1 prn) 700

Network switch (2 prn) 1,600

Battery backup (2 prn) 700

Document scanners (4 prn) 1,600

Server (1 prn) 1,500

Done

Patio cushions x4 500

KALBOH and KPHA fees

Miscellaneous

Has panic buttons

The land is in the name of the Russell County Public Health Taxing District

Has state road signs.

Tax rate = 4.5 cents.

2.6 million debt.

Tax = "shall"

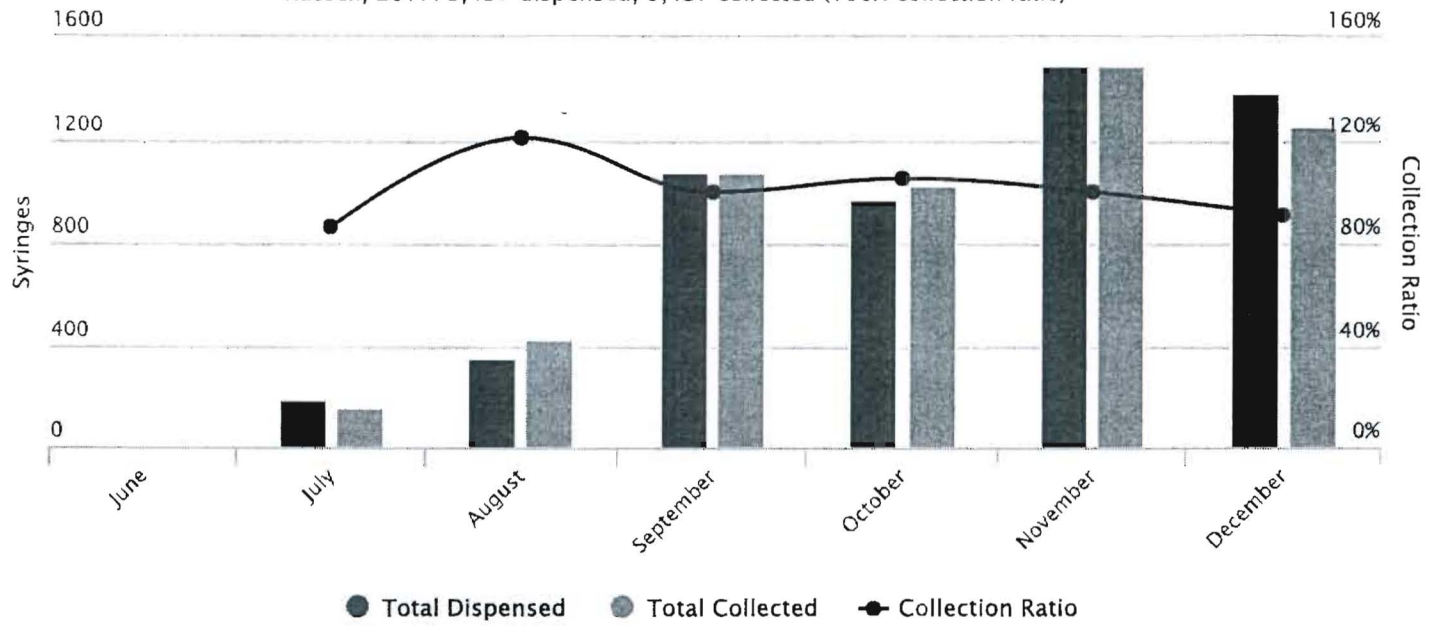
11,922 Sq Ft

Future land sale, track 1; 45,000 - 50,000 per acre

The Russell County Public Health Taxing District closed the 2016-17 fiscal year with an account balance of \$396,719.31 which was a surplus of \$9,223.84, and \$26,507.74 better than the budgeted deficit of \$17,283.90. The taxing district closed with more reserves than budgeted primarily because expenditures were less than budgeted.

### Dispensed and Collected (Repeat Visits Only)

Russell, 2017: 5,457 dispensed, 5,437 collected (100% collection ratio)



**Russell County Public Health Taxing District Budget  
Fiscal Year 2018-19**

Opening Balance Calculation				
	Operating Fund	Capital Fund	Total	
Balance as of December 31, 2017	\$519,096.94	\$0.00	\$519,096.94	\$519,096.94
Projected Remaining 2017-18 Receipts				
Projected Tax Receipts	\$122,170.16	\$0.00	\$122,170.16	
Projected Interest Earned	\$259.55	\$0.00	\$259.55	
Projected Other Receipts	\$0.00	\$0.00	\$0.00	
Total Estimated Remaining 2018 Receipts	\$122,429.71	\$0.00	\$122,429.71	\$122,429.71
Total Funds Available	\$641,526.65	\$0.00	\$641,526.65	\$641,526.65
Projected Remaining 2017-18 Expenditures				
LCDHD Operations Expense - 1/2 Tax Assessment at 2.8 cents	\$157,111.50	\$0.00	\$157,111.50	
Advertising & Printing	\$561.00	\$0.00	\$561.00	
Professional Services (Audit)	\$1,250.00	\$0.00	\$1,250.00	
Maintenance & Repair	\$8,255.75	\$0.00	\$8,255.75	
Dues & Subscriptions (KPHA & KALBOH)	\$850.00	\$0.00	\$850.00	
Board Expense & Other Miscellaneous	\$444.00	\$0.00	\$444.00	
Furniture & Fixtures	\$1,687.44	\$0.00	\$1,687.44	
Equipment	\$19,112.07	\$0.00	\$19,112.07	
Debt Service	\$92,462.81	\$0.00	\$92,462.81	
Total Estimated Remaining 2018 Expenditures	\$281,734.57	\$0.00	\$281,734.57	\$281,734.57
<b>Estimated 2018-19 Opening Balance</b>				<b>\$359,792.08</b>

**Proposed Budgets For Period Beginning July 1, 2018 and Ending June 30, 2019**

	Operating Fund	Capital Fund	Proposed Budget @	Proposed Break	Proposed Surplus
			Current Rate of	Even Budget @	Budget @
			\$0.045 per \$100 of Assessed Property Value	\$0.047 per \$100 of Assessed Property Value	\$0.048 per \$100 of Assessed Property Value
<b>Estimated Opening Balance*</b>	\$359,792.08	\$0.00	\$359,792.08	\$359,792.08	\$359,792.08
<b>Budgeted Receipts (All Sources):</b>					
Real Property Taxes	\$363,519.74		\$363,519.74	\$379,676.17	\$387,754.38
Personal Property Taxes	\$75,441.66		\$75,441.66	\$78,794.62	\$80,471.10
Motor Vehicle Taxes	\$43,937.16		\$43,937.16	\$45,889.92	\$46,866.30
Delinquent Tax Collections	\$5,073.72		\$5,073.72	\$5,073.72	\$5,073.72
Other Taxes (Telecommunication)	\$927.14		\$927.14	\$927.14	\$927.14
Interest Income	\$502.46		\$502.46	\$523.92	\$534.65
<b>Total Budgeted Receipts</b>	\$489,401.87	\$0.00	\$489,401.87	\$510,885.49	\$521,627.30
<b>Total Funds Available</b>	\$849,193.95	\$0.00	\$849,193.95	\$870,677.57	\$881,419.38
<b>Budgeted Expenditures:</b>					
Health Center Operations to LCDHD at 2.8 cents	\$316,284.00		\$316,284.00	\$316,284.00	\$316,284.00
Building Maintenance & Repair					
Landscape Maintenance & Snow Removal	\$2,500.00				
Miscellaneous	\$7,000.00				
<b>Total Building Maintenance &amp; Repair</b>	\$9,500.00		\$9,500.00	\$9,500.00	\$9,500.00
Furniture & Fixtures					
Miscellaneous	\$5,000.00				
<b>Total Furniture &amp; Fixtures</b>	\$5,000.00		\$5,000.00	\$5,000.00	\$5,000.00
Equipment					
Computers (3 if needed @ \$1200 ea.)	\$3,600.00				
Laser Printer/Copier/Scanner (1 if needed @ \$600 ea.)	\$600.00				
Network Switch (1 if needed @ \$800 each)	\$800.00				
Battery Backup (1 if needed @ \$350 each)	\$350.00				
Document Scanners (1 if needed @ \$400 each)	\$400.00				
Wireless Access Point (1 if needed @ \$250 each)	\$250.00				
Server (1 if needed @ \$1500 each)	\$1,500.00				
Miscellaneous	\$5,000.00				
<b>Total Equipment</b>	\$12,500.00		\$12,500.00	\$12,500.00	\$12,500.00
Professional Services (Taxing District Audit)	\$1,300.00		\$1,300.00	\$1,300.00	\$1,300.00
Advertisement & Printing (Newspaper & SPGE Publication)	\$300.00		\$300.00	\$300.00	\$300.00
Dues and Subscriptions (KALBOH & KPHA)	\$850.00		\$850.00	\$850.00	\$850.00
Miscellaneous (Board Members Meetings)	\$500.00		\$500.00	\$500.00	\$500.00
First National Bank Building Loan	\$160,221.97		\$160,221.97	\$160,221.97	\$160,221.97
<b>Total Budgeted Expenditures</b>	\$506,455.97	\$0.00	\$506,455.97	\$506,455.97	\$506,455.97
<b>Balance Remaining</b>	\$342,737.98	\$0.00	\$342,737.98	\$364,221.60	\$374,963.41
Net Surplus/Deficit Before Grant Proposals			(\$17,054.10)	\$4,429.52	\$15,171.33
<b>Optional - Expenses for Local Mini Grants:</b>					
Grant Proposal #1					
Grant Proposal #2					
<b>Total Proposed Grant Options</b>			\$0.00	\$0.00	\$0.00
<b>Total Budgeted Expenditures Including Optional Mini Grants</b>			\$506,455.97	\$506,455.97	\$506,455.97
<b>Balance Remaining Including Optional Expenses for Local Mini Grants</b>			\$342,737.98	\$364,221.60	\$374,963.41
Net Surplus/Deficit Including Grant Proposals			(\$17,054.10)	\$4,429.52	\$15,171.33

Footnote: All tax receipts are budgeted at a 95% collection rate on the tax calculated per \$100 on the assessed value. Interest is calculated at the current effective rate which is 0.10% for checking.

**Russell County Public Health Taxing District Budget  
Fiscal Year 2018-19**

<b>First National Bank Loan @ 4.00%</b>		<b>Balance</b>	<b>Principal Pmt</b>	<b>Interest Pmt</b>	<b>Total Pmt</b>
	Balance as of 1/19/18	\$1,598,827.48	7,817.83	5,534.00	
	February 19, 2018	\$1,590,982.72	7,844.76	5,507.07	13,351.83
	March 19, 2018	\$1,582,580.61	8,402.11	4,949.72	13,351.83
	April 19, 2018	\$1,574,679.89	7,900.72	5,451.11	13,351.83
	May 19, 2018	\$1,566,576.99	8,102.90	5,248.93	13,351.83
	June 19, 2018	\$1,558,621.15	7,955.84	5,395.99	13,351.83
	July 19, 2018	\$1,550,464.72	8,156.43	5,195.40	13,351.83
	August 19, 2018	\$1,542,453.38	8,011.34	5,340.49	13,351.83
	September 19, 2018	\$1,534,414.44	8,038.94	5,312.89	13,351.83
	October 19, 2018	\$1,526,177.32	8,237.12	5,114.71	13,351.83
	November 19, 2018	\$1,518,082.32	8,095.00	5,256.83	13,351.83
	December 19, 2018	\$1,509,790.76	8,291.56	5,060.27	13,351.83
	January 19, 2019	\$1,501,639.32	8,151.44	5,200.40	13,351.84
	February 19, 2019	\$1,493,459.80	8,179.52	5,172.31	13,351.83
	March 19, 2019	\$1,484,754.29	8,705.51	4,646.32	13,351.83
	April 19, 2019	\$1,476,516.61	8,237.68	5,114.15	13,351.83
	May 19, 2019	\$1,468,086.50	8,430.11	4,921.72	13,351.83
	June 19, 2019	\$1,459,791.41	8,295.09	5,056.74	13,351.83
<b>Fiscal Year 2019 Projected Principal and Interest Payments</b>			<b>98,829.74</b>	<b>61,392.23</b>	<b>160,221.97</b>

Footnote:  
Scheduled Maturity Date of the Note is 10/19/2030. Total proceeds from the loan are \$2,151,007.23. The current rate of 4.00% will increase to 4.25% on 9/19/2020 with the payment increasing to \$13,510.31.

*12 years  
remain*

*#162,123.72*



**Lake Cumberland District Health Department  
Local Support Determinations for FY 2018-2019  
Russell County Public Health Taxing District**

0 From 2017 Property Tax Assessment

	<b>Total Property Subject to Taxation</b>	<b>Real Property Subject to Taxation</b>	<b>Personal Property Subject to Taxation</b>	<b>Motor Vehicle Property Subject to Taxation</b>
F - Real Estate	847,910,008	847,910,008		
G - Tangible Personal	49,599,269		49,599,269	
H - PS Real Estate - Effective	2,428,555	2,428,555		
I - PS Tangible - Effective	70,134,189		70,134,189	
J - Distilled Spirits	0			
M - Motor Vehicles	102,776,984			102,776,984
N - Watercraft	23,018,247		23,018,247	
Aircraft	71,000		71,000	
Watercraft (Non-Commercial)	27,241,846		27,241,846	
Inventory in Transit	6,407,159		6,407,159	
<b>Total</b>	<b>1,129,587,257</b>	<b>850,338,563</b>	<b>176,471,710</b>	<b>102,776,984</b>
Tax Base (Total Divided by 100)	11,295,873	8,503,386	1,764,717	1,027,770
Tax Rate		\$ 0.0450	\$ 0.0450	\$ 0.0450
<b>Total Projected Tax (Tax Base * Tax Rate)</b>	<b>508,314</b>	<b>382,652</b>	<b>79,412</b>	<b>46,250</b>
Required Support @ .028	316,284	238,095	49,412	28,778
Tax Support for Land, Building & Equipment	192,030	144,558	30,000	17,472
Tax Projections @ 95% Collection Rate				
Real Property Projections	363,520			
Tangible Personal Property Projections	75,442			
Motor Vehicle Projections	43,937			
<b>Total</b>	<b>482,899</b>			

**Lake Cumberland District Health Department  
Local Support Determinations for FY 2018-2019  
Russell County Public Health Taxing District**

0 From 2017 Property Tax Assessment

	<b>Total Property Subject to Taxation</b>	<b>Real Property Subject to Taxation</b>	<b>Personal Property Subject to Taxation</b>	<b>Motor Vehicle Property Subject to Taxation</b>
F - Real Estate	847,910,008	847,910,008		
G - Tangible Personal	49,599,269		49,599,269	
H - PS Real Estate - Effective	2,428,555	2,428,555		
I - PS Tangible - Effective	70,134,189		70,134,189	
J - Distilled Spirits	0			
M - Motor Vehicles	102,776,984			102,776,984
N - Watercraft	23,018,247		23,018,247	
Aircraft	71,000		71,000	
Watercraft (Non-Commercial)	27,241,846		27,241,846	
Inventory in Transit	6,407,159		6,407,159	
<b>Total</b>	<b>1,129,587,257</b>	<b>850,338,563</b>	<b>176,471,710</b>	<b>102,776,984</b>
Tax Base (Total Divided by 100)	11,295,873	8,503,386	1,764,717	1,027,770
Tax Rate		\$ 0.0470	\$ 0.0470	\$ 0.0470
<b>Total Projected Tax (Tax Base * Tax Rate)</b>	<b>530,906</b>	<b>399,659</b>	<b>82,942</b>	<b>48,305</b>
Required Support @ .028	316,284	238,095	49,412	28,778
Tax Support for Land, Building & Equipment	214,622	161,564	33,530	19,528
Tax Projections @ 95% Collection Rate				
Real Property Projections	379,676			
Tangible Personal Property Projections	78,795			
Motor Vehicle Projections	45,890			
<b>Total</b>	<b>504,361</b>			

**Lake Cumberland District Health Department  
Local Support Determinations for FY 2018-2019  
Russell County Public Health Taxing District**

0 From 2017 Property Tax Assessment

	<b>Total Property Subject to Taxation</b>	<b>Real Property Subject to Taxation</b>	<b>Personal Property Subject to Taxation</b>	<b>Motor Vehicle Property Subject to Taxation</b>
F - Real Estate	847,910,008	847,910,008		
G - Tangible Personal	49,599,269		49,599,269	
H - PS Real Estate - Effective	2,428,555	2,428,555		
I - PS Tangible - Effective	70,134,189		70,134,189	
J - Distilled Spirits	0			
M - Motor Vehicles	102,776,984			102,776,984
N - Watercraft	23,018,247		23,018,247	
Aircraft	71,000		71,000	
Watercraft (Non-Commercial)	27,241,846		27,241,846	
Inventory in Transit	6,407,159		6,407,159	
<b>Total</b>	<b>1,129,587,257</b>	<b>850,338,563</b>	<b>176,471,710</b>	<b>102,776,984</b>
Tax Base (Total Divided by 100)	11,295,873	8,503,386	1,764,717	1,027,770
Tax Rate		\$ 0.0480	\$ 0.0480	\$ 0.0480
<b>Total Projected Tax (Tax Base * Tax Rate)</b>	<b>542,202</b>	<b>408,163</b>	<b>84,706</b>	<b>49,333</b>
Required Support @ .028	316,284	238,095	49,412	28,778
Tax Support for Land, Building & Equipment	225,917	170,068	35,294	20,555
Tax Projections @ 95% Collection Rate				
Real Property Projections	387,754			
Tangible Personal Property Projections	80,471			
Motor Vehicle Projections	46,866			
<b>Total</b>	<b>515,092</b>			

WORKSHEET FOR CERTIFICATION ASSESSMENT FOR LOCAL GOVERNMENT

CLASS OF PROPERTY

REAL ESTATE, TANGIBLE PERSONALTY, PUBLIC SERVICE AND DISTILLED SPIRITS

	2017	2016	
A 2016 Assessment of Adjusted Property At Full Rates			962,851,477
Net Change in	2017	87,004,650	
B 2017 Homestead Exemptions	2016	86,046,950	957,700
C 2016 Adjusted Tax Base			961,893,777
D 2017 Net Assessment Growth			8,178,243
E 2017 Total Valuation of Adjusted Property at Full Rates			970,072,020
	Property Subject to Taxation 2016	Net Assessment Growth	Property Subject to Taxation 2017
F Real Estate	\$824,587,959	24,279,748	\$847,910,008
G Tangible Personalty	55,962,274	(6,363,005)	49,599,269
H P.S. Co-Real Estate-Effective	2,333,889	94,666	2,428,555 *
P.S. Co.-Real Estate-100%	2,333,889	94,666	2,428,555 *
I P.S. Co.-Tang.-Effective	79,967,355	(9,833,166)	70,134,189 *
P.S. Co.-Tang.-100%	82,968,537	(9,756,018)	73,212,518 *
J Distilled Spirits	-	-	-
K Electric Plant Board	-	-	-
L Insurance Shares	-	-	-
M Motor Vehicles - Includes Public Service Motor Vehicles	99,873,146		102,776,984
N Watercraft	20,091,920		23,018,247
Net New Property:	PVA Real Estate		2,867,770
	P. S. Co. Real Estate-Effective		94,666 *
Unmined Coal			-
Tobacco in Storage			-
Other Agricultural Products			-
The following tangible items are not included in line G. Aircraft and watercraft assessment may be taxed or exempted at your option. Inventory in transit may be taxed only by special districts.			
Aircraft(Recreational & Non-Commercial)			71,000
Watercraft( Non-Commercial)			27,241,846
Inventory in transit			8,407,159
2016 R. E. Exonerations & Refunds			3,041,950
2016 Tangible Exonerations & Refunds			296,474

\* Estimated Assessment  
+ Increase Exonerations

I, David L. Gordon, Executive Director, Office of Property Valuation, certify that the above total is the equalized assessment of the different classes of property and the total assessment of RUSSELL County as made by the Office of Property Valuation for 2017, subject to any increases or decreases that may hereafter be made as a result of the appeals to the Kentucky Board of Tax Appeals.

Witness my hand this

7-12-2017



David L. Gordon, Executive Director  
Office of Property Valuation  
Finance and Administration Cabinet

Taxing District	Tax Rate	Year	Revenues	Expenditures	Net Income/Loss	Bank Account Balance	Percentage of Increase/Decrease	Percentage of Annual Expenses Covered by Tax Revenue	Percentage of Annual Expenses in Excess of Tax Revenue	Bldg. Sq. Ft	Construction Cost @ \$215.00	Construction Cost/10	% of Reserve Need
Adair	\$0.030	2010	\$ 174,044.15	\$ 197,039.08	\$ (22,994.93)	\$ 209,689.59		88%	12%				
		2011	\$ 176,362.05	\$ 155,739.90	\$ 20,622.15	\$ 230,311.74	9%	100%	0%				
		2012	\$ 208,495.96	\$ 209,241.65	\$ (745.69)	\$ 229,566.05	0%	100%	0%				
		2013	\$ 216,845.85	\$ 220,436.76	\$ (3,590.91)	\$ 225,975.14	-2%	98%	2%				
		2014	\$ 215,158.91	\$ 212,152.08	\$ 3,006.83	\$ 228,981.97	1%	100%	0%				
		2015	\$ 221,362.30	\$ 208,321.80	\$ 13,040.50	\$ 242,022.47	5%	100%	0%				
		2016	\$ 218,981.12	\$ 217,606.52	\$ 1,374.60	\$ 243,397.07	1%	100%	0%				
		2017	\$ 222,565.64	\$ 234,928.07	\$ (12,362.43)	\$ 231,034.64	-5%	95%	5%	10,845	\$ 2,331,675.00	\$ 233,167.50	99%
	μ	\$ 206,727.00	\$ 206,933.23	\$ (206.24)	\$ 230,122.33								
Casey	\$0.043	2010	\$ 190,618.68	\$ 109,912.68	\$ 80,706.00	\$ 138,541.99		100%	0%				
		2011	\$ 237,574.17	\$ 114,985.37	\$ 122,588.80	\$ 261,130.79	47%	100%	0%				
		2012	\$ 247,924.81	\$ 170,292.47	\$ 77,632.34	\$ 338,763.13	23%	100%	0%				
		2013	\$ 252,295.48	\$ 169,728.85	\$ 82,566.63	\$ 421,329.76	20%	100%	0%				
		2014	\$ 247,380.71	\$ 176,819.38	\$ 70,561.33	\$ 491,891.09	14%	100%	0%				
		2015	\$ 261,373.84	\$ 200,095.03	\$ 61,278.81	\$ 553,169.90	11%	100%	0%				
		2016	\$ 269,572.29	\$ 178,972.13	\$ 90,600.16	\$ 643,770.06	14%	100%	0%				
		2017	\$ 273,914.44	\$ 191,024.91	\$ 82,889.53	\$ 726,659.59	11%	100%	0%	4,187	\$ 900,205.00	\$ 90,020.50	807%
	μ	\$ 247,581.80	\$ 163,978.85	\$ 83,602.95	\$ 446,907.04								
Clinton	\$0.035	2010	\$ 115,131.33	\$ 86,883.45	\$ 28,247.88	\$ 111,499.15		100%	0%				
		2011	\$ 116,202.81	\$ 87,867.60	\$ 28,335.21	\$ 139,834.36	20%	100%	0%				
		2012	\$ 161,742.57	\$ 139,766.60	\$ 21,975.97	\$ 161,810.33	14%	100%	0%				
		2013	\$ 168,576.78	\$ 147,041.29	\$ 21,535.49	\$ 183,345.82	12%	100%	0%				
		2014	\$ 169,844.80	\$ 142,090.30	\$ 27,754.50	\$ 211,100.32	13%	100%	0%				
		2015	\$ 163,111.64	\$ 140,070.60	\$ 23,041.04	\$ 234,141.36	10%	100%	0%				
		2016	\$ 170,384.82	\$ 149,560.36	\$ 20,824.46	\$ 254,965.82	8%	100%	0%				
		2017	\$ 172,093.31	\$ 145,559.99	\$ 26,533.32	\$ 281,499.14	9%	100%	0%	4,209	\$ 904,935.00	\$ 90,493.50	311%
	μ	\$ 154,636.01	\$ 129,855.02	\$ 24,780.98	\$ 197,274.54								
Cumberland	\$0.035	2010	\$ 78,788.08	\$ 94,607.76	\$ (15,819.68)	\$ 65,347.14		83%	17%				
		2011	\$ 79,402.91	\$ 61,821.51	\$ 17,581.40	\$ 82,928.54	21%	100%	0%				
		2012	\$ 111,667.46	\$ 96,242.00	\$ 15,425.46	\$ 98,354.00	16%	100%	0%				
		2013	\$ 114,708.98	\$ 114,831.98	\$ (123.00)	\$ 98,231.00	0%	100%	0%				
		2014	\$ 119,085.31	\$ 97,008.94	\$ 22,076.37	\$ 120,307.37	18%	100%	0%				
		2015	\$ 117,208.75	\$ 96,586.60	\$ 20,622.15	\$ 140,929.52	15%	100%	0%				
		2016	\$ 122,373.28	\$ 118,901.32	\$ 3,471.96	\$ 144,401.48	2%	100%	0%				
		2017	\$ 123,778.01	\$ 143,003.58	\$ (19,225.57)	\$ 125,175.91	-15%	87%	13%	6,486	\$ 1,394,490.00	\$ 139,449.00	90%
	μ	\$ 108,376.60	\$ 102,875.46	\$ 5,501.14	\$ 109,459.37								
Green	\$0.034	2010	\$ 140,498.35	\$ 107,086.22	\$ 33,412.13	\$ 108,351.76		100%	0%				
		2011	\$ 138,413.23	\$ 109,070.63	\$ 29,342.60	\$ 137,694.36	21%	100%	0%				
		2012	\$ 142,882.49	\$ 151,709.98	\$ (8,827.49)	\$ 128,866.87	-7%	94%	6%				
		2013	\$ 152,090.47	\$ 143,711.44	\$ 8,379.03	\$ 137,245.90	6%	100%	0%				
		2014	\$ 141,318.06	\$ 131,384.68	\$ 9,933.38	\$ 147,179.28	7%	100%	0%				
		2015	\$ 145,982.64	\$ 126,382.41	\$ 19,600.23	\$ 166,779.51	12%	100%	0%				
		2016	\$ 149,910.61	\$ 127,673.72	\$ 22,236.89	\$ 189,016.40	12%	100%	0%				
		2017	\$ 143,692.46	\$ 132,194.83	\$ 11,497.63	\$ 200,514.03	6%	100%	0%	4,595	\$ 987,925.00	\$ 98,792.50	203%
	μ	\$ 144,348.54	\$ 128,651.74	\$ 15,696.80	\$ 151,956.01								

Taxing District	Tax Rate	Year	Revenues	Expenditures	Net Income/Loss	Bank Account Balance	Percentage of Increase/Decrease	Percentage of Annual Expenses Covered by Tax Revenue	Percentage of Annual Expenses in Excess of Tax Revenue	Bldg. Sq. Ft	Construction Cost @ \$215.00	Construction Cost/10	% of Reserve Need
McCreary	\$0.040	2010	\$ 186,141.69	\$ 131,792.92	\$ 54,348.77	\$ 293,302.01		100%	0%				
		2011	\$ 184,076.80	\$ 155,877.44	\$ 28,199.36	\$ 321,501.37	9%	100%	0%				
		2012	\$ 193,873.57	\$ 195,154.26	\$ (1,280.69)	\$ 320,220.68	0%	99%	1%				
		2013	\$ 192,101.76	\$ 187,218.54	\$ 4,883.22	\$ 325,103.90	2%	100%	0%				
		2014	\$ 177,438.07	\$ 149,970.48	\$ 27,467.59	\$ 352,571.49	8%	100%	0%				
		2015	\$ 196,835.96	\$ 151,420.18	\$ 45,415.78	\$ 397,987.27	11%	100%	0%				
		2016	\$ 195,250.85	\$ 188,962.06	\$ 6,288.79	\$ 404,276.06	2%	100%	0%				
		2017	\$ 195,363.46	\$ 154,919.22	\$ 40,444.24	\$ 444,720.30	9%	100%	0%	7,254	\$ 1,559,610.00	\$ 155,961.00	285%
		μ	\$ 190,135.27	\$ 164,414.39	\$ 25,720.88	\$ 357,460.39							
Pulaski	\$0.030	2010	\$ 745,625.87	\$ 687,367.92	\$ 58,257.95	\$ 469,096.12		100%	0%				
		2011	\$ 768,661.39	\$ 703,676.35	\$ 64,985.04	\$ 534,081.16	12%	100%	0%				
		2012	\$ 1,124,615.32	\$ 1,132,202.94	\$ (7,587.62)	\$ 526,493.54	-1%	99%	1%				
		2013	\$ 1,142,524.71	\$ 1,128,369.15	\$ 14,155.56	\$ 540,649.10	3%	100%	0%				
		2014	\$ 1,167,327.70	\$ 1,140,189.79	\$ 27,137.91	\$ 567,787.01	5%	100%	0%				
		2015	\$ 1,185,553.54	\$ 1,144,846.29	\$ 40,707.25	\$ 608,494.26	7%	100%	0%				
		2016	\$ 1,183,571.71	\$ 1,159,188.62	\$ 24,383.09	\$ 632,877.35	4%	100%	0%				
		2017	\$ 1,249,375.16	\$ 1,171,924.09	\$ 77,451.07	\$ 710,328.42	11%	100%	0%	20,435	\$ 4,393,525.00	\$ 439,352.50	162%
		μ	\$ 1,070,906.93	\$ 1,033,470.64	\$ 37,436.28	\$ 573,725.87							
Russell	\$0.045	2010	\$ 464,293.15	\$ 499,784.74	\$ (35,491.59)	\$ 269,154.51		93%	7%				
		2011	\$ 2,776,219.46	\$ 2,395,127.28	\$ 381,092.18	\$ 650,246.69	59%	100%	0%				
		2012	\$ 615,169.29	\$ 871,030.89	\$ (255,861.60)	\$ 394,385.09	-65%	71%	29%				
		2013	\$ 495,923.69	\$ 503,315.76	\$ (7,392.07)	\$ 386,993.02	-2%	99%	1%				
		2014	\$ 494,908.53	\$ 478,979.98	\$ 15,928.55	\$ 402,921.57	4%	100%	0%				
		2015	\$ 471,725.84	\$ 479,033.98	\$ (7,308.14)	\$ 395,613.43	-2%	98%	2%				
		2016	\$ 473,420.18	\$ 481,538.14	\$ (8,117.96)	\$ 387,495.47	-2%	98%	2%				
		2017	\$ 491,375.03	\$ 482,151.19	\$ 9,223.84	\$ 396,719.31	2%	100%	0%	11,922	\$ 2,563,230.00	\$ 256,323.00	155%
		μ	\$ 785,379.40	\$ 773,870.25	\$ 11,509.15	\$ 410,441.14							
Taylor	\$0.033	2010	\$ 1,274,054.10	\$ 1,895,398.15	\$ (621,344.05)	\$ 125,032.69		67%	33%				
		2011	\$ 527,838.64	\$ 399,190.86	\$ 128,647.78	\$ 253,680.47	51%	100%	0%				
		2012	\$ 566,066.33	\$ 478,708.18	\$ 87,358.15	\$ 341,038.62	26%	100%	0%				
		2013	\$ 561,222.69	\$ 545,796.46	\$ 15,426.23	\$ 356,464.85	4%	100%	0%				
		2014	\$ 531,961.91	\$ 547,722.87	\$ (15,760.96)	\$ 340,703.89	-5%	97%	3%				
		2015	\$ 553,598.18	\$ 638,207.21	\$ (84,609.03)	\$ 256,094.86	-33%	87%	13%				
		2016	\$ 465,873.17	\$ 409,707.90	\$ 56,165.27	\$ 312,260.13	18%	100%	0%				
		2017	\$ 452,101.52	\$ 428,166.41	\$ 23,935.11	\$ 336,195.24	7%	100%	0%	15,771	\$ 3,390,765.00	\$ 339,076.50	99%
		μ	\$ 616,589.57	\$ 667,862.26	\$ (51,272.69)	\$ 290,183.84							
Wayne	\$0.030	2010	\$ 243,183.66	\$ 211,161.25	\$ 32,022.41	\$ 126,662.95		100%	0%				
		2011	\$ 246,997.96	\$ 247,767.03	\$ (769.07)	\$ 125,893.88	-1%	100%	0%				
		2012	\$ 254,564.94	\$ 255,114.99	\$ (550.05)	\$ 125,343.83	0%	100%	0%				
		2013	\$ 253,940.94	\$ 260,779.95	\$ (6,839.01)	\$ 118,504.82	-6%	97%	3%				
		2014	\$ 254,718.16	\$ 250,867.90	\$ 3,850.26	\$ 122,355.08	3%	100%	0%				
		2015	\$ 256,598.90	\$ 278,343.61	\$ (21,744.71)	\$ 100,610.37	-22%	92%	8%				
		2016	\$ 257,240.84	\$ 258,597.18	\$ (1,356.34)	\$ 99,254.03	-1%	99%	1%				
		2017	\$ 267,502.21	\$ 267,598.01	\$ (95.80)	\$ 99,158.23	0%	100%	0%	12,177	\$ 2,618,055.00	\$ 261,805.50	38%
		μ	\$ 254,343.45	\$ 253,778.74	\$ 564.71	\$ 114,722.90							

2/6/19

@7:00 EST

2017-18

**RUSSELL COUNTY  
PUBLIC HEALTH TAXING DISTRICT  
Jamestown, Kentucky**

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**FINANCIAL STATEMENTS  
June 30, 2017**

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## INDEPENDENT AUDITORS' REPORT

The Board of Health  
Russell County Public Health Taxing District  
Jamestown, Kentucky

### Report on the Financial Statements

We have audited the accompanying financial statements of the Russell County Public Health Taxing District (the Taxing District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Taxing 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 the financial reporting provisions of the *Administrative Reference* established by the Commonwealth of Kentucky, Cabinet for Health and Family Services, Department for Public Health, Division of Administration and Financial Management as described in Note 1. Management is also responsible for 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 auditor considers 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**

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by the Taxing District, on the basis of the financial reporting provisions of the *Administrative Reference*, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Commonwealth of Kentucky. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Taxing District as of June 30, 2017, and the respective changes in financial position for the year then ended.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above, present fairly, in all material respects, the assets, liabilities and fund balances arising from cash transactions of the Russell County Public Health Taxing District, as of June 30, 2017, and the respective cash receipts and cash disbursements for the year then ended, in accordance with the financial reporting provisions of the *Administrative Reference* as described in Note 1.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2017, on our consideration of the Taxing 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 Taxing District's internal control over financial reporting and compliance.

**RFH**

RFH, PLLC  
Lexington, Kentucky  
October 12, 2017

**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT**  
**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE**  
**June 30, 2017**

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**ASSETS**

Current assets

Cash

\$ 396,719

Total assets

\$ 396,719

**LIABILITIES AND FUND BALANCE**

Fund balance

Temporarily restricted

\$ 396,719

Total liabilities and fund balance

\$ 396,719

The accompanying notes are an integral part of the financial statements.

**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT**  
**STATEMENT OF CASH REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**for the year ended June 30, 2017**

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<b>Cash Revenues</b>	
Taxes collected	\$ 490,922
Interest earned	<u>453</u>
Total cash revenues	<u>491,375</u>
<b>Cash Expenditures</b>	
Transfers to Health Department	310,403
Operating	3,814
Professional services	1,250
Capital outlay	6,462
Debt service	<u>160,222</u>
Total cash expenditures	<u>482,151</u>
<b>EXCESS OF (EXPENDITURES) OVER REVENUES</b>	9,224
FUND BALANCE - beginning of year	<u>387,495</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 396,719</u>

The accompanying notes are an integral  
part of the financial statements.

**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

---

**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

The Russell County Public Health Taxing District (the Taxing District) was created pursuant to Kentucky Revised Statute (KRS) 212.750. The Taxing District is responsible for requesting, with the approval of the Cabinet for Health and Family Services, that the fiscal court impose an ad valorem tax in an amount that the Board of Health deems sufficient to meet the County's public health needs. The tax rate may not exceed ten cents per \$100 of assessed value. The Taxing District then acts as a trustee over the public health tax fund. The Taxing District is restricted to expending public health tax money for the operation and maintenance of the county health department. As such, the Taxing District's fund balance on the statement of assets, liabilities and fund balance, is shown as temporarily restricted.

The Taxing District prepares its financial statements on a regulatory basis, which is in accordance with the *Administrative Reference* established by the Commonwealth of Kentucky, Cabinet for Health and Family Services, Department for Public Health, Division of Administration and Financial Management. This basis of accounting and financial reporting differs from generally accepted accounting principles in several areas. Accounts receivable for revenue earned but not received, and payroll expense incurred, but unpaid, are not recorded. Inventories are not recorded, but are expensed to the current period. Property, plant and equipment are not capitalized and the related depreciation expense is not reported; prepaid expenses and unearned revenues are not recorded.

The Taxing District receives funds from, based on remittances to, the Russell County Sheriff, the Russell County Clerk's Office and the Commonwealth of Kentucky.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Board of Health makes the determination as to when to use restricted or unrestricted funds when an expenditure is incurred for purposes for which both restricted and unrestricted funds are available.

The Taxing District has evaluated and considered the need to recognize or disclose subsequent events through October 12, 2017, which represents the date that these financial statements were available to be issued. Subsequent events past this date, as they pertain to the year ended June 30, 2017, have not been evaluated by the Taxing District.

**2. TAX LEVY**

On February 23, 2016, the Russell County Board of Health passed a resolution recording the fiscal year 2017 Health tax rate at 4.5 cents per \$100 of assessed valuation on real property, personal property and motor vehicles.

The required minimum local support level is equivalent to 1.8 cents per \$100 of assessed property valuation. The Russell County Board of Health has met this requirement as set by the Department of Public Health for the year ended June 30, 2017.

**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**3. CASH**

Under Kentucky Revised Statute 66.480, the Taxing District is allowed to invest in obligations of the U.S. and of its agencies, obligations backed by the full faith and credit of the U.S. or a U.S. government agency, obligations of any corporation of the U.S. government, certificates of deposit or other interest-bearing accounts issued by institutions insured by the Federal Deposit Insurance Corporation (FDIC) or similarly collateralized institutions, and bonds and securities of states, local governments, or related agencies in the U.S. rated in one of the three highest categories by a nationally recognized rating agency.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Taxing District will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. In order to anticipate market changes and provide a level of security for all funds, the collateralization level shall be one hundred percent of the market value of the principal, plus accrued interest.

The Taxing District's cash deposits at June 30, 2017, were fully covered by federal depository insurance or by collateral held by the custodial banks in the Taxing District's name.

Total cash deposits	\$ 396,719
FDIC insurance	(250,000)
Collateral held by pledging bank	<u>(465,000)</u>
 (Over) Collateralized	 <u>\$ (318,281)</u>

**4. RELATED PARTIES**

The Taxing District is related to the Lake Cumberland District Health Department by common board supervision. A total of \$310,403 in public health taxes, were transferred to the Lake Cumberland District Health Department during the year ended June 30, 2017.

**5. NOTE PAYABLE**

The Taxing District entered into a construction loan with the First National Bank of Russell Springs on June 19, 2009 with a line of credit of up to \$2,750,000 at a variable rate of interest starting at 3.75% for the first 5 years. Construction draws totaling \$2,151,007 were made as of March 19, 2012. Starting in November 2011, principal and interest payments were paid monthly. The remaining balance on the construction loan totaled \$1,653,586 at June 30, 2017 and bore interest at a rate of 4%. The interest rate will increase to 4.25% on September 19, 2020. The note will mature on October 19, 2030. Approximate future maturities are as follows:

Year ended June 30,	Principal	Interest	Total
2018	\$ 99,453	\$ 66,143	\$ 165,596
2019	103,431	62,165	165,596
2020	107,568	58,028	165,596
2021	111,871	53,725	165,596
2022	116,345	49,250	165,595
2023-2027	655,371	172,606	827,977
2028-2031	<u>459,547</u>	<u>43,612</u>	<u>503,159</u>
 Total	 <u>\$ 1,653,586</u>	 <u>\$ 505,529</u>	 <u>\$ 2,159,115</u>



**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 Health  
Russell County Public Health Taxing District  
Jamestown, 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 Russell County Public Health Taxing District (the Taxing District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Taxing District's basic financial statements, and have issued our report thereon dated October 12, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Taxing 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Taxing District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Taxing 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 charged 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 that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control 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 Taxing District's financial statements are free from 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*.

### **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.

**RFH**

RFH, PLLC  
Lexington, Kentucky  
October 12, 2017



# MISCONCEPTION



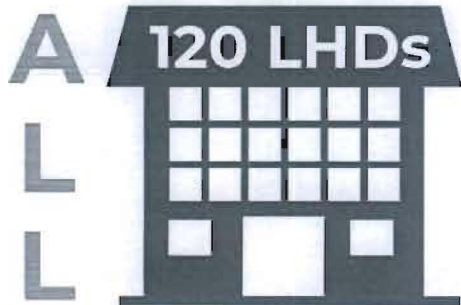
Retirement increase will be covered with state funds in FY19.

# FACT

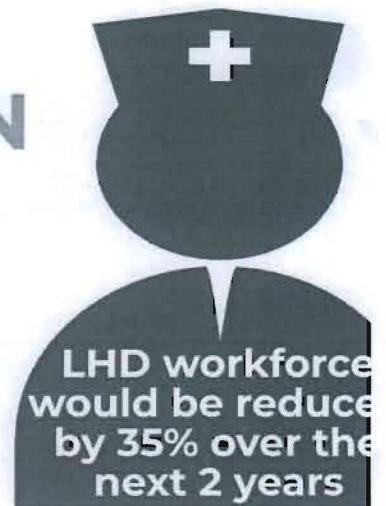


Local Health Departments are not included, which increased our liability to \$38.5 million for our workforce.

Should the proposed biennium budget pass...



will be liable  
**\$38.5 MILLION**  
in retirement expenses.  
That means...



- WIC services to be reduced by 57,579 Kentuckians
- Pediatric/Immunization services to be reduced by 21,679 Kentuckians
- Tuberculosis services reduced by 18,650 Kentuckians
- Required reportable diseases surveillance/treatment reduced by 13,645 Kentuckians
- Statutory required restaurant inspections reduced by 17,302 inspections
- Statutory required inspections of schools, hotels, public swimming pools, and campgrounds to be reduced by 12,042 inspections
- Statutory required septic tank installation oversight reduced by 5,738 inspections

## Lack of funding will result in:

- Increased cases of preventable chronic disease
- Increased infant mortality rate
- Increased tuberculosis outbreaks
- Increased cases of HIV and Hep C
- Increased food borne illness
- Increased polluted water table



Kentucky Health Departments Association