

Russell County Local Board of Health Meeting
Monday, February 4, 2019
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

RHOP Presentation-Susan Adams

Old Business

New Business

Set tax rate

Approve budget

Discuss replacement of Dr. Bertram

Introduce new Board Nominees

- Sherie Helm, RPh and Mickey Garner, Fiscal Court Representative

Board members that term expire 12/2019:

- Richard Miles, Robert Bertram, Stephanie Jones, H. James Popplewell, Sherie Helm and Mickey Garner

Local members to serve on the district board

Review of 2018 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

RUSSELL COUNTY BOARD OF HEALTH

Meeting Minutes

February 6, 2018

The Annual meeting of the Russell County Board of Health was called to order by the chairman, Hon. Gary Robertson, at 6:05 PM on Tuesday, February 6, 2018, 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.
Charles Gore, R. Ph.
H. James Popplewell, D.M.D
Don Cooper, Lay Member
Connie Blankenship

MEMBERS ABSENT

Robert Bertram, M.D.
Karen Dalton, RN, Treasurer
Leslie Wade, D.V.M.
Stephanie Jones, M.D.
Terry Waddell, Fiscal Court Member

OTHERS PRESENT

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



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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 Dr. Miles and seconded by Dr. Watkins. All agreed.

OLD BUSINESS

BUDGET

Mr. Crabtree gave an update on the budget from last year and stated that an amendment to the budget was made. Last meeting the board approved a land appraisal of the property owned by the taxing district. The appraisal was completed and the \$750 fee was added to the 2017-2018 budget. Motion to accept the budget amendment was made by Don Cooper and seconded by Connie Blankenship. All agreed.

SYRINGE EXCHANGE

Mr. Crabtree gave an update on the syringe exchange program for Russell County that was implemented on June 1, 2017. Through December 2017, Russell County dispensed 8,969 syringes and had a 92% collection rate for the used syringes. The program had 253 visits in 2017 with 71 unduplicated clients. 75% of clients of those clients listed Russell County as their home. The remaining clients list their home county as Adair, Pulaski, Casey or Taylor County.

NEW BUSINESS

HEALTH EDUCATION

Health Promotion and Policy provided updates on CHIP activities through 2018. Data is being collected for FY 19 CHA. The community survey has been completed and data points were shared with at the meeting.



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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. Don Cooper nominated both Dr. Watkins and Dr. Miles to continue their service. Charles Gore seconded the motion. All agreed.

2018-20120 BOARD MEMBERS

Five of the current board members have terms expiring December 31, 2018. They are Terri Susanne Wakins, OD; Don Cooper, Karen Dalton, RN; Connie Blankenship and C. Leslie Wade. Dr. Wade would like to offer the board seat to the new veterinarian that bought his office but will continue if she doesn't want the seat. All others 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, \$850; Landscaping maintenance and snow removal, \$2500. 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) in the upcoming fiscal year. Possible items needed to complete the transition include: three computers, \$3600; one laser printer, \$700; one network switch, \$800; one battery backup, \$350; one document scanner, \$400; 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 \$17,054 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 \$15,171 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 Charles Gore. 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 Charles Gore, seconded by Dr. Miles. All agreed.

EXECUTIVE DIRECTOR'S COMMENTS

Mr. Crabtree discussed the proposed state budget with the board. He explained that why state employee's retirement would be funded in the proposed budget, the local health departments are considered quase-state and not included in the budget. He stated it would be a cost of 38.5 million in retirement expenses for local health departments to absorb. This would mean a reduction or elimination of WIC services, Tuberculosis services, reportable disease surveillance/treatment, pediatric/immunization services, restaurant inspections, school/hotel/public swimming pools/campground inspections and septic tank installation oversight. For LCDHD it would mean a 2 million dollar increase for the next fiscal year. With current conditions, our reserve would be depleted in about 1 ½ years. Mr. Crabtree urged the board to contact their state representatives with concerns about the proposed budget.

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 Charles Gore. All agreed.



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Judge Robertson declared the meeting adjourned at 7:37 PM upon the motion by Connie Blankenship and seconded by Charles Gore. All agreed. Meeting adjourned.

Hon. Gary D. Robertson, Chairman

Shawn D.
Crabtree
2018.02.28
'00'05- 12:28:55

Shawn D. Crabtree, Secretary

The Community Themes and Strengths (Survey) 706

Top Concerns:

1. What was the 3 top factors for a Healthy Community?

- a. Drug free community
- b. Good place to raise children
- c. Low crime/safe neighborhood

2. Top 3 Health Challenges (706 stated in survey)

- a. High Blood Pressure
- b. Overweight/Obesity
- c. Heart disease/stroke

Forces of Change Assessment (Results)

Positive concerns/Trends

Tobacco free dining/school policy
Increase programs to address drug issues
Needle Exchange
New technology Center

Negative Concerns/Trends

Drug Abuse (all times)
Funding cuts
Health care cost rising
Marijuana legalization (talk of)

The Community Health Status Assessment (Data)

Top concerns:

Diabetes
Drug Use
Tobacco
Teen Pregnancy
Motor Vehicle Mortality

Community Health System Assessment

E#1 Monitor Health Status 75.0%

E#2 Diagnose and Investigate 75.0%

E#6 Enforce Laws 63.3%

Vision Statement: Russell County is a united community focusing on spiritual, emotional, mental, physical and economic health that empowers personal responsibility with the support of local partners and resources to make it a safe place to live, work and play.

Words:

Goal-oriented

Partnership

Motivated

Supportive

Positive

Productive

Experienced

2019 Snapshot of Russell County Data

	COUNTY	DISTRICT	KENTUCKY	NATIONAL
<i>DEMOGRAPHICS</i>				
Population ₁	17,775	209,159	4,454,189	325,719,178
Population below 18 years of age ₁	22.6%	21.8%	22.8%	22.6%
Population over 65 years of age ₁	19.9%	19%	16%	15.6%
Black or African American ₁	0.90%	2%	8.4%	13.4%
American Indian/Alaska Native alone ₁	0.60%	38%	0.30%	1.3%
Hispanic or Latino ₁	3.7%	2.57%	3.7%	18.1%
White alone, Not Hispanic or Latino ₁	93.7%	93.06%	84.6%	60.7%
School District Enrollment ₂	2,962	31,410	656,588	
<i>ECONOMICS & SOCIAL</i>				
Median Household Income ₁	\$31,539	\$31,433	\$31,433	\$57,652
Home Ownership Rate ₁	74.4%	73%	73%	64.2%
Persons in Poverty ₁	25%	26%	17.2%	12.3%
Children in Poverty ₃	37%	24%	36%	17.5%
Children in Single Parent Homes ₃	37%	32%	35%	
High School Graduation Rate ₃	90%	93%	89%	84%
Total Number of Children in Out of Home Care with Active Placement ₄		1,117	9,705	
<i>HEALTH FACTORS/BEHAVIORS</i>				
Adult Smoking ₃	24%	24%	24%	14%
Adult Obesity ₃	35%	36%	34%	38.9%
Physically Inactive ₃	30%	34%	28%	60%
Food Insecurities ₃	19%	17%	16%	13% (2016)
Diabetes (Adult Type 2) Prevalence ₃	13%	13%	15%	
Teen Birth Rate ₃	63	52	38	
Drug Overdoses ₃	53		28	

1. US Census Bureau: State and County Quick Facts, August 2018.
2. Kentucky Department for Education, Schools and District Enrollment: May 2018
3. County Health Ranking, 2018
4. Foster Care Facts, CHFS 2018

Russell County Public Health Taxing District Budget
Fiscal Year 2019-20

Opening Balance Calculation				
	Operating Fund	Capital Fund	Total	
Balance as of December 31, 2018	\$702,473.32	\$0.00	\$702,473.32	\$702,473.32
Projected Remaining 2018-19 Receipts				
Projected Tax Receipts	\$132,897.32	\$0.00	\$132,897.32	
Projected Interest Earned	\$218.13	\$0.00	\$218.13	
Projected Other Receipts	\$0.00	\$0.00	\$0.00	
Total Estimated Remaining 2019 Receipts	\$133,115.45	\$0.00	\$133,115.45	\$133,115.45
Total Funds Available	\$835,588.77	\$0.00	\$835,588.77	\$835,588.77
Projected Remaining 2018-19 Expenditures				
LCDHD Operations Expense - 1/2 Tax Assessment at 2.8 cents	\$316,284.00	\$0.00	\$316,284.00	
Advertising & Printing	\$39.00	\$0.00	\$39.00	
Professional Services (Audit)	\$1,300.00	\$0.00	\$1,300.00	
Maintenance & Repair	\$9,500.00	\$0.00	\$9,500.00	
Dues & Subscriptions (KPHA & KALBOH)	\$850.00	\$0.00	\$850.00	
Board Expense & Other Miscellaneous	\$500.00	\$0.00	\$500.00	
Furniture & Fixtures	\$5,000.00	\$0.00	\$5,000.00	
Equipment	\$12,500.00	\$0.00	\$12,500.00	
Debt Service	\$160,221.97	\$0.00	\$160,221.97	
Total Estimated Remaining 2019 Expenditures	\$506,194.97	\$0.00	\$506,194.97	\$506,194.97
Estimated 2019-20 Opening Balance				\$329,393.80

Proposed Budgets For Period Beginning July 1, 2019 and Ending June 30, 2020

	Operating Fund	Capital Fund	Approved Budget @ Current Rate of	Proposed Break Even Budget @	Proposed Surplus Budget @
			\$0.045 per \$100 of Assessed Property Value	\$0.0461 per \$100 of Assessed Property Value	\$0.047 per \$100 of Assessed Property Value
Estimated Opening Balance*	\$329,393.80	\$0.00	\$329,393.80	\$329,393.80	\$329,393.80
Budgeted Receipts (All Sources):					
Real Property Taxes	\$371,811.89		\$371,811.89	\$380,900.63	\$388,336.86
Personal Property Taxes	\$87,785.12		\$87,785.12	\$89,930.98	\$91,686.68
Motor Vehicle Taxes	\$45,726.62		\$45,726.62	\$46,844.38	\$47,758.92
Delinquent Tax Collections	\$7,080.74		\$7,080.74	\$7,080.74	\$7,080.74
Other Taxes (Telecommunication)	\$1,708.28		\$1,708.28	\$1,708.28	\$1,708.28
Interest Income	\$476.88		\$476.88	\$489.24	\$499.34
Total Budgeted Receipts	\$514,589.54	\$0.00	\$514,589.54	\$526,954.25	\$537,070.83
Total Funds Available	\$843,983.34	\$0.00	\$843,983.34	\$856,348.05	\$866,464.63
Budgeted Expenditures:					
Health Center Operations to LCDHD at 2.8 cents	\$330,972.00		\$330,972.00	\$330,972.00	\$330,972.00
Building Maintenance & Repair					
Landscape Maintenance & Snow Removal	\$3,500.00				
Flag Pole Repair	\$2,500.00				
Parking Lot Lighting Repair	\$1,000.00				
Miscellaneous	\$7,000.00				
Total Building Maintenance & Repair	\$14,000.00		\$14,000.00	\$14,000.00	\$14,000.00
Furniture & Fixtures					
Seasonal Décor	\$1,000.00				
Miscellaneous	\$5,000.00				
Total Furniture & Fixtures	\$6,000.00		\$6,000.00	\$6,000.00	\$6,000.00
Equipment					
Miscellaneous Computers and Related Equipment	\$7,450.00				
Miscellaneous	\$5,000.00				
Total Equipment	\$12,450.00		\$12,450.00	\$12,450.00	\$12,450.00
Professional Services (Taxing District Audit)	\$1,400.00		\$1,400.00	\$1,400.00	\$1,400.00
Advertisement & Printing (Newspaper & SPGE Publication)	\$300.00		\$300.00	\$300.00	\$300.00
Dues and Subscriptions (KALBOH & KPHA)	\$1,000.00		\$1,000.00	\$1,000.00	\$1,000.00
Miscellaneous (Board Members Meetings)	\$500.00		\$500.00	\$500.00	\$500.00
First National Bank Building Loan	\$160,221.96		\$160,221.96	\$160,221.96	\$160,221.96
Total Budgeted Expenditures	\$526,843.96	\$0.00	\$526,843.96	\$526,843.96	\$526,843.96
Balance Remaining	\$317,139.38	\$0.00	\$317,139.38	\$329,504.09	\$339,620.67
Net Surplus/Deficit Before Grant Proposals			(\$12,254.42)	\$110.29	\$10,226.87
Optional - Expenses for Local Mini Grants:					
Grant Proposal #1					
Grant Proposal #2					
Total Proposed Grant Options			\$0.00	\$0.00	\$0.00
Total Budgeted Expenditures Including Optional Mini Grants			\$526,843.96	\$526,843.96	\$526,843.96
Balance Remaining Including Optional Expenses for Local Mini Grants			\$317,139.38	\$329,504.09	\$339,620.67
Net Surplus/Deficit Including Grant Proposals			(\$12,254.42)	\$110.29	\$10,226.87

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 2019-20**

First National Bank Loan @ 4.00%	Balance	Principal Pmt	Interest Pmt	Total Pmt
Balance as of 1/19/19	\$1,501,639.32	8,151.44	5,200.39	
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
July 19, 2019	\$1,451,305.55	8,485.86	4,865.97	13,351.83
August 19, 2019	\$1,442,952.66	8,352.89	4,998.94	13,351.83
September 19, 2019	\$1,434,571.00	8,381.66	4,970.17	13,351.83
October 19, 2019	\$1,426,001.07	8,569.93	4,781.90	13,351.83
November 19, 2019	\$1,417,561.02	8,440.05	4,911.78	13,351.83
December 19, 2019	\$1,408,934.39	8,626.63	4,725.20	13,351.83
January 19, 2020	\$1,400,435.56	8,498.83	4,853.00	13,351.83
February 19, 2020	\$1,391,907.45	8,528.11	4,823.72	13,351.83
March 19, 2020	\$1,383,040.66	8,866.79	4,485.04	13,351.83
April 19, 2020	\$1,374,452.64	8,588.02	4,763.81	13,351.83
May 19, 2020	\$1,365,682.32	8,770.32	4,581.51	13,351.83
June 19, 2020	\$1,357,034.51	8,647.81	4,704.02	13,351.83
Fiscal Year 2019 Projected Principal and Interest Payments		102,756.90	57,465.06	160,221.96
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.

**Lake Cumberland District Health Department
Local Support Determinations for FY 2019-2020
Russell County Public Health Taxing District**

0 From 2018 Property Tax Assessment

	Total Property Subject to Taxation	Real Property Subject to Taxation	Personal Property Subject to Taxation	Motor Vehicle Property Subject to Taxation
F - Real Estate	867,329,712	867,329,712		
G - Tangible Personal	55,757,391		55,757,391	
H - PS Real Estate - Effective	2,405,705	2,405,705		
I - PS Tangible - Effective	67,144,790		67,144,790	
J - Distilled Spirits	0			
M - Motor Vehicles	106,962,858			106,962,858
N - Watercraft	22,026,412		22,026,412	
Aircraft	1,855,000		1,855,000	
Watercraft (Non-Commercial)	27,675,326		27,675,326	
Inventory in Transit	30,886,397		30,886,397	
Total	1,182,043,591	869,735,417	205,345,316	106,962,858
Tax Base (Total Divided by 100)	11,820,436	8,697,354	2,053,453	1,069,629
Tax Rate		\$ 0.0450	\$ 0.0450	\$ 0.0450
Total Projected Tax (Tax Base * Tax Rate)	531,920	391,381	92,405	48,133
Required Support @ .028	330,972	243,526	57,497	29,950
Tax Support for Land, Building & Equipment	200,947	147,855	34,909	18,184
Tax Projections @ 95% Collection Rate				
Real Property Projections	371,812			
Tangible Personal Property Projections	87,785			
Motor Vehicle Projections	45,727			
Total	505,324			

**Lake Cumberland District Health Department
Local Support Determinations for FY 2019-2020
Russell County Public Health Taxing District**

0 From 2018 Property Tax Assessment

	Total Property Subject to Taxation	Real Property Subject to Taxation	Personal Property Subject to Taxation	Motor Vehicle Property Subject to Taxation
F - Real Estate	867,329,712	867,329,712		
G - Tangible Personal	55,757,391		55,757,391	
H - PS Real Estate - Effective	2,405,705	2,405,705		
I - PS Tangible - Effective	67,144,790		67,144,790	
J - Distilled Spirits	0			
M - Motor Vehicles	106,962,858			106,962,858
N - Watercraft	22,026,412		22,026,412	
Aircraft	1,855,000		1,855,000	
Watercraft (Non-Commercial)	27,675,326		27,675,326	
Inventory in Transit	30,886,397		30,886,397	
Total	1,182,043,591	869,735,417	205,345,316	106,962,858
Tax Base (Total Divided by 100)	11,820,436	8,697,354	2,053,453	1,069,629
Tax Rate		\$ 0.0461	\$ 0.0461	\$ 0.0461
Total Projected Tax (Tax Base * Tax Rate)	544,922	400,948	94,664	49,310
Required Support @ .028	330,972	243,526	57,497	29,950
Tax Support for Land, Building & Equipment	213,950	157,422	37,168	19,360
Tax Projections @ 95% Collection Rate				
Real Property Projections	380,901			
Tangible Personal Property Projections	89,931			
Motor Vehicle Projections	46,844			
Total	517,676			

**Lake Cumberland District Health Department
Local Support Determinations for FY 2019-2020
Russell County Public Health Taxing District**

0 From 2018 Property Tax Assessment

	Total Property Subject to Taxation	Real Property Subject to Taxation	Personal Property Subject to Taxation	Motor Vehicle Property Subject to Taxation
F - Real Estate	867,329,712	867,329,712		
G - Tangible Personal	55,757,391		55,757,391	
H - PS Real Estate - Effective	2,405,705	2,405,705		
I - PS Tangible - Effective	67,144,790		67,144,790	
J - Distilled Spirits	0			
M - Motor Vehicles	106,962,858			106,962,858
N - Watercraft	22,026,412		22,026,412	
Aircraft	1,855,000		1,855,000	
Watercraft (Non-Commercial)	27,675,326		27,675,326	
Inventory in Transit	30,886,397		30,886,397	
Total	1,182,043,591	869,735,417	205,345,316	106,962,858
Tax Base (Total Divided by 100)	11,820,436	8,697,354	2,053,453	1,069,629
Tax Rate		\$ 0.0470	\$ 0.0470	\$ 0.0470
Total Projected Tax (Tax Base * Tax Rate)	555,560	408,776	96,512	50,273
Required Support @ .028	330,972	243,526	57,497	29,950
Tax Support for Land, Building & Equipment	224,588	165,250	39,016	20,323
Tax Projections @ 95% Collection Rate				
Real Property Projections	388,337			
Tangible Personal Property Projections	91,687			
Motor Vehicle Projections	47,759			
Total	527,782			

WORKSHEET FOR CERTIFICATION ASSESSMENT FOR LOCAL GOVERNMENT

CLASS OF PROPERTY

REAL ESTATE, TANGIBLE PERSONALTY, PUBLIC SERVICE AND DISTILLED SPIRITS

A 2017 Assessment of Adjusted Property At Full Rates			970,072,020
Net Change in	2018	86,190,500	
B 2018 Homestead Exemptions	2017	87,004,650	(814,150)
C 2017 Adjusted Tax Base			970,886,170
D 2018 Net Assessment Growth			21,751,427
E 2018 Total Valuation of Adjusted Property at Full Rates			992,637,598
	Property Subject to Taxation 2017	Net Assessment Growth	Property Subject to Taxation 2018
F Real Estate	\$847,910,008	18,605,554	\$867,329,712
G Tangible Personalty	49,599,269	6,158,122	55,757,391
H P.S. Co-Real Estate-Effective	2,428,555	(22,850)	2,405,705 *
P.S. Co.-Real Estate-100%	2,428,555	(22,850)	2,405,705 *
I P.S. Co.-Tang.-Effective	70,134,189	(2,989,399)	67,144,790 *
P.S. Co.-Tang.-100%	73,212,518	(3,239,250)	69,973,268 *
J Distilled Spirits	-	-	-
K Electric Plant Board	-	-	-
L Insurance Shares	-	-	-
M Motor Vehicles - Includes Public Service Motor Vehicles	102,776,984		106,962,858
N Watercraft	23,018,247		22,026,412
Net New Property: PVA Real Estate			10,447,589
P. S. Co. Real Estate-Effective			(22,850) *
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)	1,855,000
Watercraft(Non-Commercial)	27,875,326
Inventory in transit	30,886,397

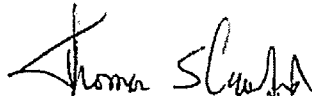
2017 R. E. Exonerations & Refunds	3,221,550
2017 Tangible Exonerations & Refunds	3,239,004

* Estimated Assessment
+ Increase Exonerations

I, Thomas S. Crawford, Director, Division of Local Support, 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 2018, 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

7-23-2018


 Thomas S. Crawford, Director
 Division of Local Support
 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	9%	88%	12%					
		2011	\$ 176,362.05	\$ 155,739.90	\$ 20,622.15	\$ 230,311.74	0%	100%	0%					
		2012	\$ 208,495.96	\$ 209,241.65	\$ (745.69)	\$ 229,566.05	-2%	100%	2%					
		2013	\$ 216,845.85	\$ 220,436.76	\$ (3,590.91)	\$ 225,975.14	1%	100%	0%					
		2014	\$ 215,158.91	\$ 212,152.08	\$ 3,006.83	\$ 228,981.97	5%	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	-2%	95%	5%					
		2017	\$ 222,565.64	\$ 234,928.07	\$ (12,362.43)	\$ 231,034.64	-2%	98%	2%		10,845	\$ 2,331,675.00	\$ 233,167.50	97%
		2018	\$ 220,562.72	\$ 224,692.31	\$ (4,129.59)	\$ 226,905.05								
μ	\$ 208,264.30	\$ 208,906.46	\$ (642.16)	\$ 229,764.86										
Casey	\$0.043	2010	\$ 190,618.68	\$ 109,912.68	\$ 80,706.00	\$ 138,541.99	47%	100%	0%					
		2011	\$ 237,574.17	\$ 114,985.37	\$ 122,588.80	\$ 261,130.79	23%	100%	0%					
		2012	\$ 247,924.81	\$ 170,292.47	\$ 77,632.34	\$ 338,763.13	20%	100%	0%					
		2013	\$ 252,295.48	\$ 169,728.85	\$ 82,566.63	\$ 421,329.76	14%	100%	0%					
		2014	\$ 247,380.71	\$ 176,819.38	\$ 70,561.33	\$ 491,891.09	11%	100%	0%					
		2015	\$ 261,373.84	\$ 200,095.03	\$ 61,278.81	\$ 553,169.90	14%	100%	0%					
		2016	\$ 269,572.29	\$ 178,972.13	\$ 90,600.16	\$ 643,770.06	11%	100%	0%					
		2017	\$ 273,914.44	\$ 191,024.91	\$ 82,889.53	\$ 726,659.59	10%	100%	0%					
		2018	\$ 273,696.22	\$ 196,947.43	\$ 76,748.79	\$ 803,408.38					4,187	\$ 90,205.00	\$ 90,020.50	892%
μ	\$ 250,483.40	\$ 167,642.03	\$ 82,841.38	\$ 486,518.30										
Clinton	\$0.035	2010	\$ 115,131.33	\$ 86,883.45	\$ 28,247.88	\$ 111,499.15	20%	100%	0%					
		2011	\$ 116,202.81	\$ 87,867.60	\$ 28,335.21	\$ 139,834.36	14%	100%	0%					
		2012	\$ 161,742.57	\$ 139,766.60	\$ 21,975.97	\$ 161,810.33	12%	100%	0%					
		2013	\$ 168,576.78	\$ 147,041.29	\$ 21,535.49	\$ 183,345.82	13%	100%	0%					
		2014	\$ 169,844.80	\$ 142,090.30	\$ 27,754.50	\$ 211,100.32	10%	100%	0%					
		2015	\$ 163,111.64	\$ 140,070.60	\$ 23,041.04	\$ 234,141.36	8%	100%	0%					
		2016	\$ 170,384.82	\$ 149,560.36	\$ 20,824.46	\$ 254,965.82	9%	100%	0%					
		2017	\$ 172,093.31	\$ 145,559.99	\$ 26,533.32	\$ 281,499.14	-1%	98%	2%		4,209	\$ 904,935.00	\$ 90,493.50	307%
		2018	\$ 167,752.72	\$ 171,341.49	\$ (3,588.77)	\$ 277,910.37								
μ	\$ 158,093.42	\$ 134,464.63	\$ 21,628.79	\$ 206,234.07										
Cumberland	\$0.035	2010	\$ 78,788.08	\$ 94,607.76	\$ (15,819.68)	\$ 65,347.14	21%	83%	17%					
		2011	\$ 79,402.91	\$ 61,821.51	\$ 17,581.40	\$ 82,928.54	16%	100%	0%					
		2012	\$ 111,667.46	\$ 96,242.00	\$ 15,425.46	\$ 98,354.00	0%	100%	0%					
		2013	\$ 114,708.98	\$ 114,831.98	\$ (123.00)	\$ 98,231.00	18%	100%	0%					
		2014	\$ 119,085.31	\$ 97,008.94	\$ 22,076.37	\$ 120,307.37	15%	100%	0%					
		2015	\$ 117,208.75	\$ 96,586.60	\$ 20,622.15	\$ 140,929.52	2%	100%	0%					
		2016	\$ 122,373.28	\$ 118,901.32	\$ 3,471.96	\$ 144,401.48	-15%	87%	13%					
		2017	\$ 123,778.01	\$ 143,003.58	\$ (19,225.57)	\$ 125,175.91	-5%	95%	5%		6,486	\$ 1,394,490.00	\$ 139,449.00	85%
		2018	\$ 126,050.13	\$ 132,076.09	\$ (6,025.96)	\$ 119,149.95								
μ	\$ 110,340.32	\$ 106,119.98	\$ 4,220.35	\$ 110,536.10										
Green	\$0.034	2010	\$ 140,498.35	\$ 107,086.22	\$ 33,412.13	\$ 108,351.76	21%	100%	0%					
		2011	\$ 138,413.23	\$ 109,070.63	\$ 29,342.60	\$ 137,694.36	-7%	100%	6%					
		2012	\$ 142,882.49	\$ 151,709.98	\$ (8,827.49)	\$ 128,866.87	6%	100%	0%					
		2013	\$ 152,090.47	\$ 143,711.44	\$ 8,379.03	\$ 137,245.90	7%	100%	0%					
		2014	\$ 141,318.06	\$ 131,384.68	\$ 9,933.38	\$ 147,179.28	12%	100%	0%					
		2015	\$ 145,982.64	\$ 126,382.41	\$ 19,600.23	\$ 166,779.51	6%	100%	0%					
		2016	\$ 149,910.61	\$ 127,673.72	\$ 22,236.89	\$ 189,016.40	6%	100%	0%					
		2017	\$ 143,692.46	\$ 132,194.83	\$ 11,497.63	\$ 200,514.03	6%	100%	0%					
		2018	\$ 165,539.78	\$ 152,169.86	\$ 13,369.92	\$ 213,883.95					4,595	\$ 987,925.00	\$ 98,792.50	216%
μ	\$ 146,703.12	\$ 131,264.86	\$ 15,438.26	\$ 158,836.90										

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	0%	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%				
2018	\$ 200,555.23	\$ 179,116.53	\$ 21,438.70	\$ 466,159.00	5%	100%	0%		7,254	\$ 1,559,610.00	\$ 155,961.00	299%	
μ		\$ 191,293.04	\$ 166,047.96	\$ 25,245.08	\$ 369,538.01		100%	0%					
Pulaski	\$0.030	2010	\$ 745,625.87	\$ 687,367.92	\$ 58,257.95	\$ 469,096.12	12%	100%	0%				
		2011	\$ 768,661.39	\$ 703,676.35	\$ 64,985.04	\$ 534,081.16	-1%	99%	1%				
		2012	\$ 1,124,615.32	\$ 1,132,202.94	\$ (7,587.62)	\$ 526,493.54	3%	100%	0%				
		2013	\$ 1,142,524.71	\$ 1,128,369.15	\$ 14,155.56	\$ 540,649.10	5%	100%	0%				
		2014	\$ 1,167,327.70	\$ 1,140,189.79	\$ 27,137.91	\$ 567,787.01	7%	100%	0%				
		2015	\$ 1,185,553.54	\$ 1,144,846.29	\$ 40,707.25	\$ 608,494.26	4%	100%	0%				
		2016	\$ 1,183,571.71	\$ 1,159,188.62	\$ 24,383.09	\$ 632,877.35	11%	100%	0%				
		2017	\$ 1,249,375.16	\$ 1,174,924.09	\$ 77,451.07	\$ 710,328.42	7%	100%	0%				
2018	\$ 1,271,483.66	\$ 1,216,336.91	\$ 55,146.75	\$ 765,475.17	7%	100%	0%		20,435	\$ 4,393,525.00	\$ 439,352.50	174%	
μ		\$ 1,093,193.23	\$ 1,053,789.12	\$ 39,404.11	\$ 595,031.35		93%	7%					
Russell	\$0.045	2010	\$ 464,293.15	\$ 499,784.74	\$ (35,491.59)	\$ 269,154.51	59%	100%	0%				
		2011	\$ 2,776,219.46	\$ 2,395,127.28	\$ 381,092.18	\$ 650,246.69	-65%	71%	29%				
		2012	\$ 615,169.29	\$ 871,030.89	\$ (255,861.60)	\$ 394,385.09	-2%	99%	1%				
		2013	\$ 495,923.69	\$ 503,315.76	\$ (7,392.07)	\$ 386,993.02	4%	100%	0%				
		2014	\$ 494,908.53	\$ 478,979.98	\$ 15,928.55	\$ 402,921.57	-2%	98%	2%				
		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%	100%	0%				
		2017	\$ 491,375.03	\$ 482,151.19	\$ 9,223.84	\$ 396,719.31	1%	100%	0%				
2018	\$ 495,178.84	\$ 490,691.32	\$ 4,487.52	\$ 401,206.83	1%	100%	0%		11,922	\$ 2,563,230.00	\$ 256,323.00	157%	
μ		\$ 753,134.89	\$ 742,405.92	\$ 10,728.97	\$ 409,415.10		67%	33%					
Taylor	\$0.033	2010	\$ 1,274,054.10	\$ 1,895,398.15	\$ (621,344.05)	\$ 125,032.69	51%	100%	0%				
		2011	\$ 527,838.64	\$ 399,190.86	\$ 128,647.78	\$ 253,680.47	26%	100%	0%				
		2012	\$ 566,066.33	\$ 478,708.18	\$ 87,358.15	\$ 341,038.62	4%	100%	0%				
		2013	\$ 561,222.69	\$ 545,796.46	\$ 15,426.23	\$ 356,464.85	-5%	97%	3%				
		2014	\$ 531,961.91	\$ 547,722.87	\$ (15,760.96)	\$ 340,703.89	-33%	87%	13%				
		2015	\$ 553,598.18	\$ 638,207.21	\$ (84,609.03)	\$ 256,094.86	18%	100%	0%				
		2016	\$ 465,873.17	\$ 409,707.90	\$ 56,165.27	\$ 312,260.13	7%	100%	0%				
		2017	\$ 452,101.52	\$ 428,166.41	\$ 23,935.11	\$ 336,195.24	6%	100%	0%				
2018	\$ 467,301.55	\$ 444,029.00	\$ 23,272.55	\$ 359,467.79	6%	100%	0%		15,771	\$ 3,390,765.00	\$ 339,076.50	106%	
μ		\$ 600,002.01	\$ 642,991.89	\$ (42,989.88)	\$ 297,882.06		100%	0%					
Wayne	\$0.030	2010	\$ 243,183.66	\$ 211,161.25	\$ 32,022.41	\$ 126,662.95	-1%	100%	0%				
		2011	\$ 246,997.96	\$ 247,767.03	\$ (769.07)	\$ 125,893.88	0%	100%	0%				
		2012	\$ 254,564.94	\$ 255,114.99	\$ (550.05)	\$ 125,343.83	-6%	97%	3%				
		2013	\$ 253,940.94	\$ 260,779.95	\$ (6,839.01)	\$ 118,504.82	-22%	92%	8%				
		2014	\$ 254,718.16	\$ 250,867.90	\$ 3,850.26	\$ 122,355.08	-1%	99%	1%				
		2015	\$ 256,598.90	\$ 278,343.61	\$ (21,744.71)	\$ 100,610.37	0%	100%	0%				
		2016	\$ 257,240.84	\$ 258,597.18	\$ (1,356.34)	\$ 99,254.03	9%	100%	0%				
		2017	\$ 267,502.21	\$ 267,598.01	\$ (95.80)	\$ 99,158.23	9%	100%	0%				
2018	\$ 270,796.59	\$ 261,519.07	\$ 9,277.52	\$ 108,435.75	9%	100%	0%		12,177	\$ 2,618,055.00	\$ 261,805.50	41%	
μ		\$ 256,171.58	\$ 254,638.78	\$ 1,532.80	\$ 114,024.33		100%	0%					

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

**FINANCIAL STATEMENTS
June 30, 2018**

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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, 2018, 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 to the financial statements. 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.

Opinion

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, 2018, 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, 2018, 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 30, 2018, 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 30, 2018

**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
REGULATORY BASIS
June 30, 2018**

ASSETS

Current assets

Cash

\$ 401,207

Total assets

\$ 401,207

LIABILITIES AND FUND BALANCE

Fund balance

Temporarily restricted

\$ 401,207

Total liabilities and fund balance

\$ 401,207

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

RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
REGULATORY BASIS
for the year ended June 30, 2018

Revenues	
Taxes collected	\$ 494,699
Interest earned	<u>481</u>
Total revenues	<u>495,180</u>
 Expenditures	
Transfers to Health Department	314,223
Operating	10,867
Professional services	2,000
Capital outlay	3,379
Debt service	<u>160,223</u>
Total expenditures	<u>490,692</u>
EXCESS OF REVENUES OVER (EXPENDITURES)	4,488
FUND BALANCE - beginning of year	<u>396,719</u>
FUND BALANCE - END OF YEAR	<u>\$ 401,207</u>

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

RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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 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, which is a regulatory basis of accounting. 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 expenses 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 30, 2018, 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, 2018, have not been evaluated by the Taxing District.

2. TAX LEVY

On February 21, 2017, the Russell County Board of Health passed a resolution recording the fiscal year 2018 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, 2018.

RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

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.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Taxing District does not have a policy governing interest rate risk.

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, 2018, were fully covered by federal depository insurance or by collateral held by the custodial banks in the Taxing District's name.

Total cash deposits	\$ 401,207
FDIC insurance	(250,000)
Collateral held by pledging bank	<u>(485,393)</u>
 (Over) Collateralized	 <u>\$ (334,186)</u>

4. RELATED PARTIES

The Taxing District is related to the Lake Cumberland District Health Department by common board supervision. A total of \$314,223 in public health taxes, were transferred to the Lake Cumberland District Health Department during the year ended June 30, 2018.

5. NOTE PAYABLE

The Taxing District entered into a construction loan with the First National Bank of Russell Springs on June 19, 2009. Total construction draws totaled \$2,151,007. The remaining balance on the construction loan totaled \$1,558,123 at June 30, 2018 and bore interest at a rate of 4%. The interest rate increases to 4.25% on September 19, 2020. The note matures on October 19, 2030. Approximate future maturities are as follows:

Year ended June 30,	Principal	Interest	Total
2019	\$ 103,697	\$ 62,325	\$ 166,022
2020	107,844	58,177	166,021
2021	112,158	53,863	166,021
2022	116,644	49,377	166,021
2023	121,310	44,711	166,021
2024-2028	683,338	146,770	830,108
2029-2031	<u>313,132</u>	<u>18,910</u>	<u>332,042</u>
 Total	 <u>\$ 1,558,123</u>	 <u>\$ 434,133</u>	 <u>\$ 1,992,256</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, 2018, 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 30, 2018. Our report contains an unmodified opinion on the regulatory basis of accounting in accordance with the *Administrative Reference*.

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 30, 2018