

Russell County Local Board of Health Meeting  
Monday, February 3, 2020  
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

Diabetes Education-Jamie Lee

- Diabetes Activities Update

**Old Business**

**New Business**

Set tax rate

Approve budget

Introduce new Board Nominee

- Dr. Holly Von Gruenigen

Board members that term expire 12/2020:

- Terri Susanne Watkins, Don Cooper, Connie Blankenship, C. Leslie Wade and Karen Dalton

Local members to serve on the district board

Review of 2019 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)

### **RUSSELL COUNTY BOARD OF HEALTH**

#### **Meeting Minutes**

**February 4, 2019**

The Annual meeting of the Russell County Board of Health was called to order by the chairman, Hon. Gary Robertson, at 6:01 PM on Monday, February 4, 2019, 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  
Richard Miles, M.D.  
H. James Popplewell, D.M.D  
Don Cooper, Lay Member, Vice-Chair  
Connie Blankenship  
Sherie Loy-Helm, RPh  
Mickey Garner, Fiscal Court Representative  
Karen Dalton, RN, Treasurer  
Shawn D. Crabtree, Secretary

#### **MEMBERS ABSENT**

Robert Bertram, M.D.  
Stephanie Jones, M.D.  
Susanne Watkins, O.D.

#### **OTHERS PRESENT**

Ronald Cimala, 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  
Candi Cummings, Clerk, Russell County Health Department  
Susan Adams, LCDHD Rural Health Opioid Program Coordinator



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### Russell County Board of Health Minutes February 4, 2019-Page 2

#### 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 Don Cooper. All agreed.

#### OLD BUSINESS

##### SYRINGE EXCHANGE

Mr. Crabtree gave an update on the syringe exchange program for Russell County. Through December 2018, Russell County dispensed 27,291 syringes and had a 102% collection rate for the used syringes by return clients. The program had 756 visits in 2017 with 123 unduplicated clients. 63% of clients of those clients listed Russell County as their home. The remaining clients list their home county as Adair, Taylor, Clinton, Cumberland, Marion, Pulaski, or Casey County.

#### NEW BUSINESS

##### HEALTH EDUCATION

The HPP Department shared updated data on the county and health of the county. The health coalition has used this data to create their community health improvement plan. Also, a report was given on the activities completed from the 2014 - 2018 CHIP.

##### RURAL HEALTH OPIOID PROGRAM

Susan Adams, Program Coordinator, gave a presentation to the board that outlined the design of the program and services offered. Board members were shown a video presentation of program resources and information on how referrals could be made to the program.

##### 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. Popplewell nominated both Dr. Watkins and Dr. Miles to continue their service. Connie Blankenship seconded the motion. All agreed.



**Lake Cumberland District Health Department**

A Healthy Today for a Brighter Tomorrow

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### **Russell County Board of Health Minutes February 4, 2019-Page 3**

#### New Board Members

Two new board members were introduced during the meeting. Sherie Loy-Helm is the new Pharmacy representative and Mickey Garner is the new Fiscal Court Appointee.

#### 2019-2021 BOARD MEMBERS

Five of the current board members have terms expiring December 31, 2019. They are Richard Miles, Stephanie Jones, H. James Popplewell, Sherie Helm and Mickey Garner. 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. Wade, seconded by Mr. Cooper. All agreed.

#### REMOVAL OF DR. BERTRAM FROM BOARD

Due to the incarceration of Dr. Bertram, which includes license suspension, and his inability to continue board responsibilities, it was recommended that a replacement physician be recruited to fill the position. Dr. Bertram will be notified of his termination from the board with a letter sent to his last known home address.

#### BUDGET

Line items requested in the new budget included: paying KALBOH and KPHA fees, \$850; Landscaping maintenance and snow removal, \$3500, Parking Lot Lighting Repair, \$1000 and Seasonal Décor \$1000. 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.

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 \$12,254 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 out at an approximate \$10,226 gain. The maturity date of the building note is 10/19/2030. Motion to approve the current budget made by Mr. Cooper and seconded by Mr. Garner. 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. Wade, seconded by Dr. Miles. All agreed.

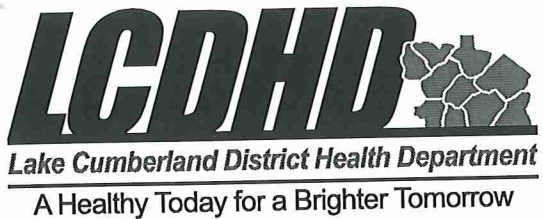
#### EXECUTIVE DIRECTOR'S COMMENTS

Mr. Crabtree discussed the proposed Retirement System Restructure that was outlined in the Statewide Videoconference presented last week. He explained that why state employee's retirement would be funded in the proposed budget, the local health departments are considered quasi-state and not included in the budget. 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 2 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 Mr. Garner and seconded by Dr. Wade. All agreed.




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Judge Robertson declared the meeting adjourned at 7:18 PM upon the motion by Dr. Miles and seconded by Dr. Wade. All agreed. Meeting adjourned.

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

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

# Family & Youth Services Bureau Sexual Risk Avoidance Education (SRAE)

Overview of SRAE Program / Making a Difference (MAD)

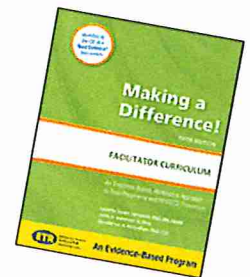
September 30, 2016 through October 1, 2019

Awarded: \$972,151

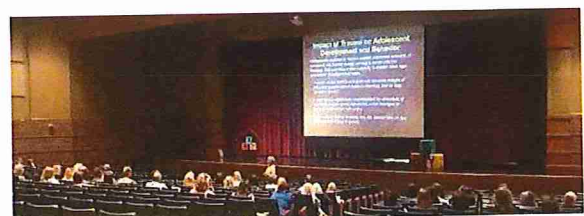
Lake Cumberland District Health Department was awarded the Sexual Risk Avoidance Education (SRAE) grant from the Family and Youth Services Bureau providing funding to implement Making a Difference (MAD) curriculum from September 30, 2016 through October 1, 2019.

## Making the Difference (MAD) Program was implemented in all 14 middle schools across Lake Cumberland

- 13 School Districts
- 7,264 Unduplicated Middle School Students
- 1425 Behavioral Change Presentations
- 81% of the 7,264 adolescents reported that their belief of practicing abstinence will help them achieve their career goals
- 4% Teen birth rate decrease between 2017 and 2018



## Building Resilient Youth Conference - July 25, 2019





# Office of Adolescent Health

## Overview Two-Year Teen Pregnancy Prevention (TPP) Grant

July, 15 2019 - June 30, 2021

Awarded: \$986,000

Lake Cumberland District Health Department was awarded the Phase I Tier 1 projects to replicate programs that have been proven effective through rigorous evaluation to reduce teenage pregnancy, behavioral risk factors underlying teenage pregnancy, or other associated risk factors.

### Reducing the Risk (RTR) will be implemented in all 12 high schools across Lake Cumberland

RTR will assist high school students to delay the initiation of sex or increase the use of protection against pregnancy and STD/HIV if they choose to have sex. This research-proven approach addresses skills such as risk assessment, communication, decision making, planning, refusal strategies and delay tactics.

#### Performance measures

- 95% of sites will implement the programs
- 60% of sexually active participants will report they are more likely to use protection to avoid pregnancy and/ or STD's
- 80% of participants from both programs will report the program was beneficial
- 90% of TOP participants will have eliminated at least 2 risk factors
- 80% of TOP participants report more confidence in handling challenging issues
- Decrease LCDHD teen birth rates by 5%
- Decrease LCDHD STD rates by 5% by practicing abstinence will help them achieve their career goals

### Teen Outreach Program

#### Casey and McCreary Counties

Wyman's Teen Outreach Program® (TOP®) promotes the positive development of adolescents through curriculum-guided, interactive group discussions; positive adult guidance and support; and community service learning.

TOP is delivered by trained adult facilitators across a school year to groups of teens (called "TOP Clubs"). TOP is designed to meet the developmental needs of middle and high school teens and can be implemented in a variety of settings, including in-school, after-school, through community-based organizations or in systems and institutional settings, including residential facilities.

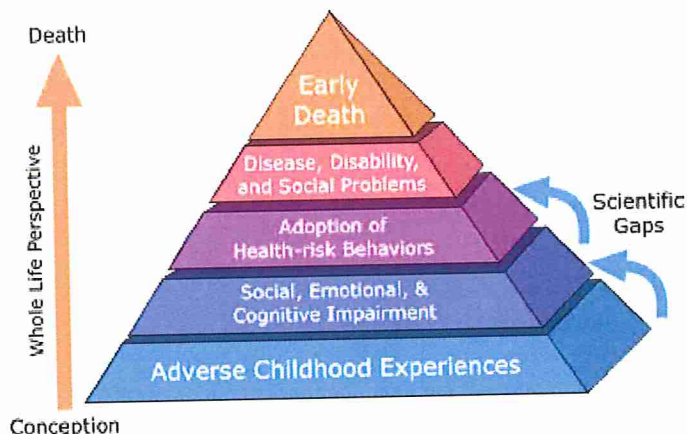
TOP curriculum is focused on key topics related to adolescent health and development, including building social, emotional, and life skills; developing a positive sense of self; and connecting with others.



# ADVERSE CHILDHOOD EXPERIENCES (ACEs)

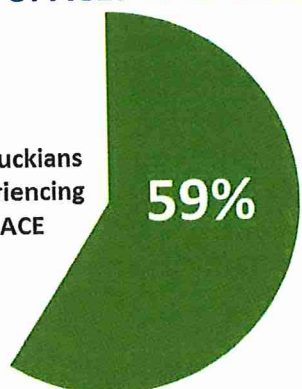
## Adverse Childhood Experiences (ACEs)

Adverse childhood experiences (ACEs) are potentially traumatic events that can have negative, lasting effects on health and well-being including early death<sup>1</sup>. These experiences range from physical, emotional, or sexual abuse to parental divorce or the incarceration of a parent or guardian. The original ACE Study was a research study conducted by Kaiser Permanente and the Centers for Disease Control and Prevention. Participants were recruited to the study between 1995 and 1997 and have been in long-term follow up for health outcomes. The study has demonstrated that ACEs are common, often occur together, and are associated with health and social problems as an adult<sup>2,3</sup>.



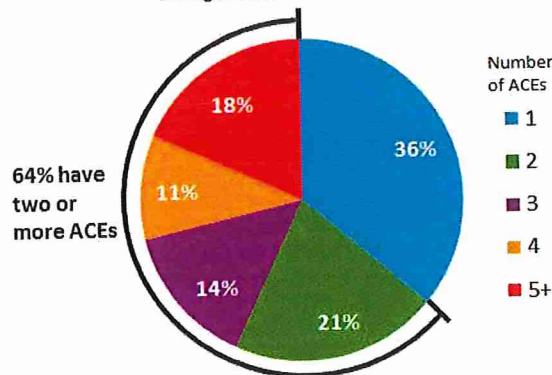
## Prevalence of ACEs in Kentucky

59% of Kentuckians report experiencing at least one ACE



More than half (59%) of Kentucky residents have experienced at least one ACE. Of those that have experienced at least one ACE, 64% have experienced two or more ACEs.

## Distribution of ACEs among those with at least one ACE

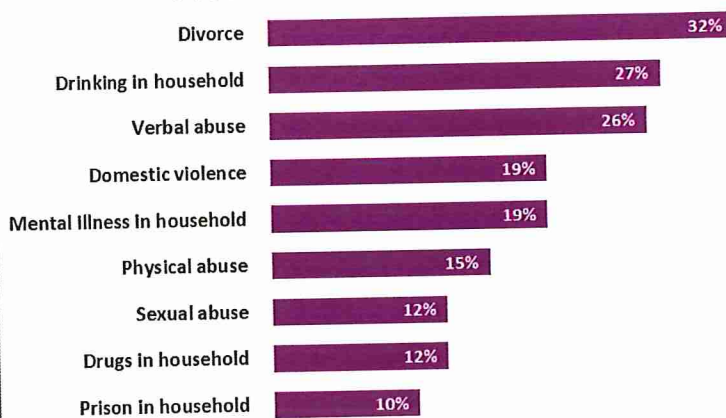


Data Source: Kentucky Behavioral Risk Factor Surveillance (KyBRFS); Year 2015

## Common ACEs in Kentucky

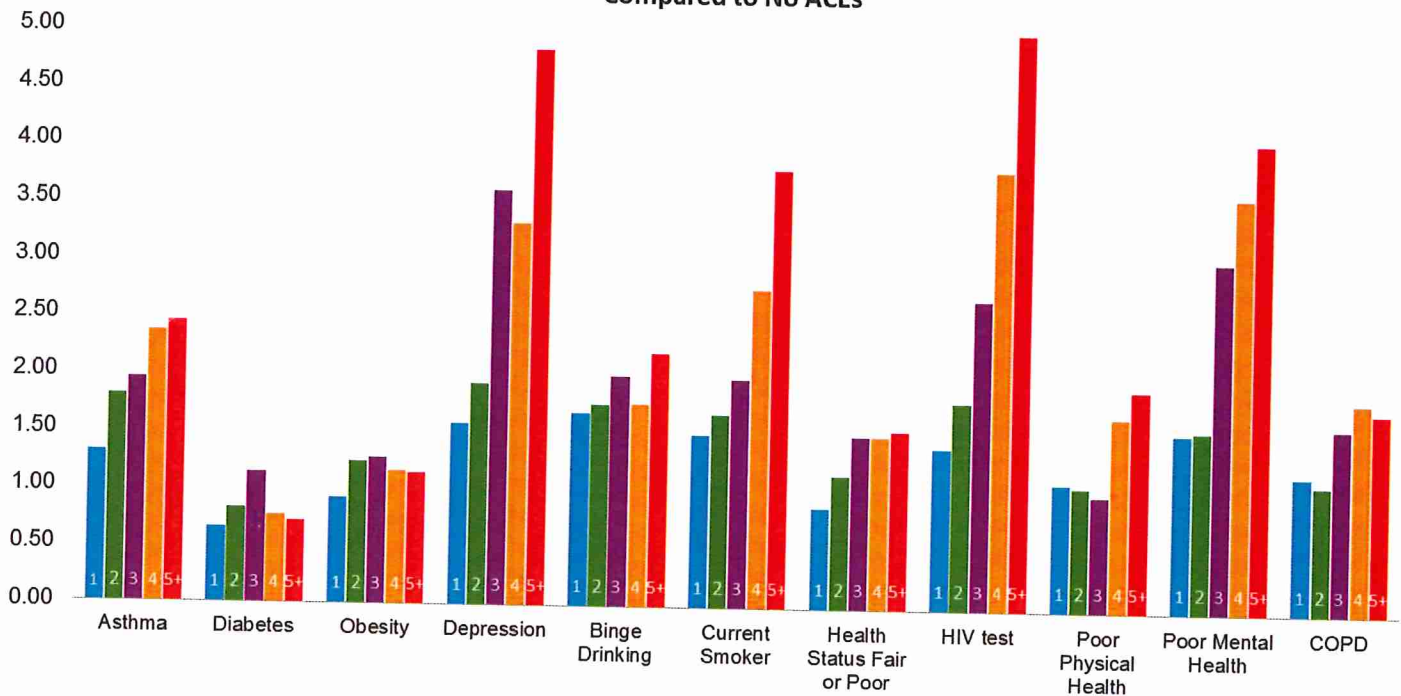
Data from the Kentucky Behavioral Risk Factor Surveillance (KyBRFS) indicates that several Kentucky adults experienced various types of ACEs. Of those experiencing at least one ACE, 32% experienced divorce in the household, 27% experienced drinking (problem drinker or alcoholism) in the household, and 26% experienced verbal abuse. These data suggest that ACEs are very common in Kentucky and should be addressed during routine health care visits.

## Prevalence of Individual ACEs



Data Source: Kentucky Behavioral Risk Factor Surveillance (KyBRFS); Year 2015

## Increased Risk of Condition/Behavior By Number of ACEs Present Compared to No ACEs



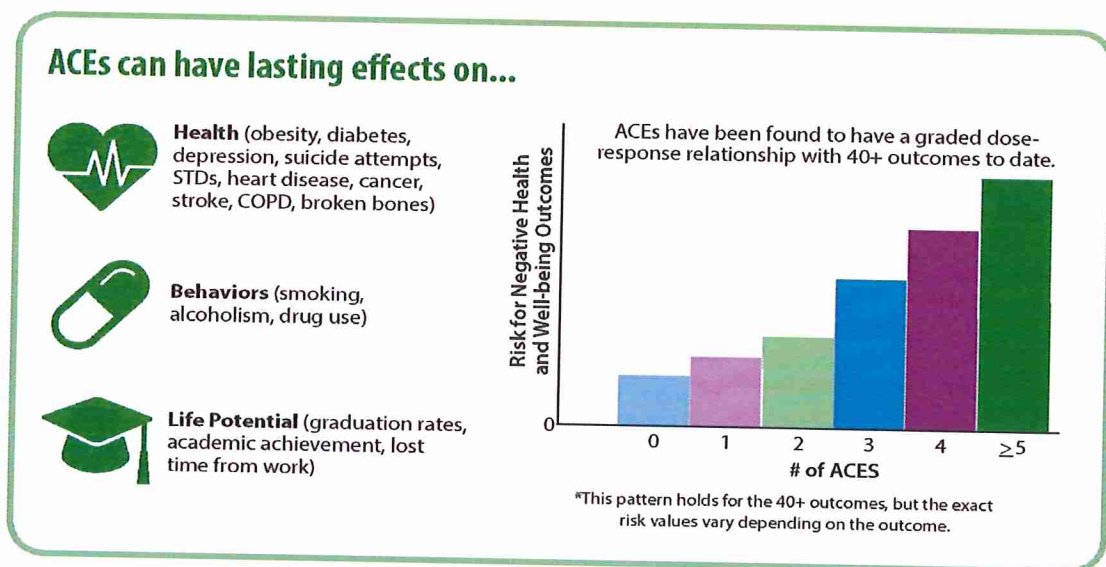
Data Source: Kentucky Behavioral Risk Factor Surveillance (KyBRFS); Year 2015

HIV test=Human Immunodeficiency Virus test

COPD=Chronic Obstructive Pulmonary Disease

This data supports addressing ACEs in the health care setting as well as in communities. A better understanding of the adverse events experienced by an individual during childhood could provide insight into their physical and mental health status as an adult. All families experience times of stress, and research demonstrates that children grow and learn best in families who have the supports and skills to deal with those times.

Source: Kentucky Department of Public Health, 2015



Source: CDC, 2019

References:

- 1 Child Trends; Research Brief; Adverse Childhood Experiences; Year 2014
- 2 The Adverse Childhood Experiences (ACE) Study; Centers for Disease Control and Prevention. Retrieved Nov. 4, 2016
- 3 Adverse Childhood Experiences; Substance Abuse and Mental Health Services Administration, Rockville, MD; Retrieved Nov. 4, 2016



# THE TRUTH ABOUT ACEs

## WHAT ARE THEY?

ACEs are  
ADVERSE  
CHILDHOOD  
EXPERIENCES

The three types of ACEs include

### ABUSE



Physical



Emotional



Sexual

### NEGLECT



Physical



Emotional

### HOUSEHOLD DYSFUNCTION



Mental Illness



Incarcerated Relative



Mother treated violently



Substance Abuse



Divorce

## HOW PREVALENT ARE ACEs?

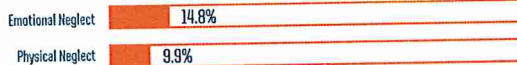
The ACE study\* revealed the following estimates:

### ABUSE

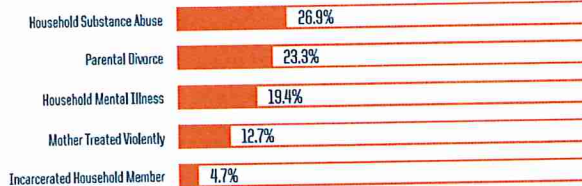


percentage of study participants that experienced a specific ACE

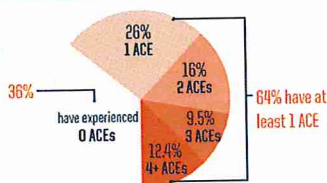
### NEGLECT



### HOUSEHOLD DYSFUNCTION



Of 17,000 ACE study participants:



## WHAT IMPACT DO ACEs HAVE?

As the number of ACEs increases, so does the risk for negative health outcomes



Possible Risk Outcomes:

### BEHAVIOR



### PHYSICAL & MENTAL HEALTH



| Russell County Public Health Taxing District Budget                         |                     |               |  |   |  |
|---|---------------------|---------------|--|---|--|
| Fiscal Year 2020-21   |                     |               |  |   |  |
| Opening Balance Calculation   |                     |               |  |   |  |
|   | Operating Fund      | Capital Fund  | Total  |   |  |
| Balance as of December 31, 2019   | \$575,694.31        | \$0.00        | \$575,694.31   | \$575,694.31  |  |
| Projected Remaining 2019-20 Receipts  |                     |               |  |   |  |
| Projected Tax Receipts  | \$121,046.70        | \$0.00        | \$121,046.70   |   |  |
| Projected Interest Earned   | \$249.14            | \$0.00        | \$249.14   |   |  |
| Projected Other Receipts  | \$0.00              | \$0.00        | \$0.00   |   |  |
| Total Estimated Remaining 2020 Receipts                                     | \$121,295.84        | \$0.00        | \$121,295.84   | \$121,295.84  |  |
| Total Funds Available   | \$696,990.15        | \$0.00        | \$696,990.15   | \$696,990.15  |  |
| Projected Remaining 2019-20 Expenditures                                    |                     |               |  |   |  |
| LCDHD Operations Expense - 1/2 Tax Assessment at 2.8 cents                  | \$165,486.00        | \$0.00        | \$165,486.00   |   |  |
| Advertising & Printing  | \$253.50            | \$0.00        | \$253.50   |   |  |
| Professional Services (Audit)   | \$1,400.00          | \$0.00        | \$1,400.00   |   |  |
| Maintenance & Repair  | \$10,848.00         | \$0.00        | \$10,848.00  |   |  |
| Dues & Subscriptions (KPHA & KALBOH)  | \$500.00            | \$0.00        | \$500.00   |   |  |
| Board Expense & Other Miscellaneous   | \$500.00            | \$0.00        | \$500.00   |   |  |
| Furniture & Fixtures  | \$6,000.00          | \$0.00        | \$6,000.00   |   |  |
| Equipment   | \$12,450.00         | \$0.00        | \$12,450.00  |   |  |
| Debt Service  | \$80,110.98         | \$0.00        | \$80,110.98  |   |  |
| Total Estimated Remaining 2020 Expenditures                                 | \$277,548.48        | \$0.00        | \$277,548.48   | \$277,548.48  |  |
| <b>Estimated 2020-21 Opening Balance</b>                                    |                     |               |  | <b>\$419,441.67</b>   |  |
| Proposed Budgets For Period Beginning July 1, 2020 and Ending June 30, 2021 |                     |               |  |   |  |
|   | Operating Fund      | Capital Fund  | Approved Budget @<br>Current Rate of<br>\$0.045 per \$100 of<br>Assessed Property<br>Value | Proposed Break<br>Even Budget @<br>\$0.047 per \$100 of<br>Assessed Property<br>Value | Proposed Surplus<br>Budget @<br>\$0.048 per \$100 of<br>Assessed Property<br>Value |
| <b>Estimated Opening Balance*</b>   | \$419,441.67        | \$0.00        | \$419,441.67   | \$419,441.67  | \$419,441.67   |
| <b>Budgeted Receipts (All Sources):</b>                                     |                     |               |  |   |  |
| Real Property Taxes   | \$380,916.60        |               | \$380,916.60   | \$397,846.23  | \$406,311.04   |
| Personal Property Taxes   | \$91,787.44         |               | \$91,787.44  | \$95,866.88   | \$97,906.60  |
| Motor Vehicle Taxes   | \$47,600.91         |               | \$47,600.91  | \$49,716.51   | \$50,774.31  |
| Delinquent Tax Collections  | \$6,609.28          |               | \$6,609.28   | \$6,609.28  | \$6,609.28   |
| Other Taxes (Telecommunication)   | \$1,700.00          |               | \$1,700.00   | \$1,700.00  | \$1,700.00   |
| Interest Income   | \$570.17            |               | \$570.17   | \$593.30  | \$604.86   |
| <b>Total Budgeted Receipts</b>  | <b>\$529,184.40</b> | <b>\$0.00</b> | <b>\$529,184.40</b>  | <b>\$552,332.19</b>   | <b>\$563,906.09</b>  |
| <b>Total Funds Available</b>  | <b>\$948,626.07</b> | <b>\$0.00</b> | <b>\$948,626.07</b>  | <b>\$971,773.86</b>   | <b>\$983,347.75</b>  |
| <b>Budgeted Expenditures:</b>   |                     |               |  |   |  |
| Health Center Operations to LCDHD at 2.8 cents                              | \$340,785.00        |               | \$340,785.00   | \$340,785.00  | \$340,785.00   |
| Building Maintenance & Repair   |                     |               |  |   |  |
| Landscape Maintenance & Snow Removal  | \$3,500.00          |               |  |   |  |
| Miscellaneous   | \$10,000.00         |               |  |   |  |
| <b>Total Building Maintenance &amp; Repair</b>                              | <b>\$13,500.00</b>  |               | <b>\$13,500.00</b>   | <b>\$13,500.00</b>  | <b>\$13,500.00</b>   |
| Furniture & Fixtures  |                     |               |  |   |  |
| Seasonal Décor  | \$1,000.00          |               |  |   |  |
| Miscellaneous   | \$5,000.00          |               |  |   |  |
| <b>Total Furniture &amp; Fixtures</b>                                       | <b>\$6,000.00</b>   |               | <b>\$6,000.00</b>  | <b>\$6,000.00</b>   | <b>\$6,000.00</b>  |
| Equipment   |                     |               |  |   |  |
| Miscellaneous Computers and Related Equipment                               | \$8,000.00          |               |  |   |  |
| Generator Maintenance   | \$1,400.00          |               |  |   |  |
| Miscellaneous   | \$5,000.00          |               |  |   |  |
| <b>Total Equipment</b>  | <b>\$14,400.00</b>  |               | <b>\$14,400.00</b>   | <b>\$14,400.00</b>  | <b>\$14,400.00</b>   |
| 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   | \$161,648.28        |               | \$161,648.28   | \$161,648.28  | \$161,648.28   |
| <b>Total Budgeted Expenditures</b>  | <b>\$539,533.28</b> | <b>\$0.00</b> | <b>\$539,533.28</b>  | <b>\$539,533.28</b>   | <b>\$539,533.28</b>  |
| <b>Balance Remaining</b>  | <b>\$409,092.79</b> | <b>\$0.00</b> | <b>\$409,092.79</b>  | <b>\$432,240.58</b>   | <b>\$443,814.47</b>  |
| Net Surplus/Deficit Before Optional Expenses                                |                     |               | <b>(\$10,348.88)</b>   | \$12,798.91   | \$24,372.81  |
| <b>Optional - Expenses for Building Maintenance:</b>                        |                     |               |  |   |  |
| Replace All Existing Lighting With LED                                      |                     |               |  |   |  |
| Total Proposed Building Maintenance Options                                 |                     |               | \$0.00   | \$0.00  | \$0.00   |
| <b>Total Budgeted Expenditures Including Optional Expenses</b>              |                     |               | <b>\$539,533.28</b>  | <b>\$539,533.28</b>   | <b>\$539,533.28</b>  |
| <b>Balance Remaining Including Optional Expenses</b>                        |                     |               | <b>\$409,092.79</b>  | <b>\$432,240.58</b>   | <b>\$443,814.47</b>  |
| Net Surplus/Deficit Including Optional Expenses                             |                     |               | <b>(\$10,348.88)</b>   | \$12,798.91   | \$24,372.81  |

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 2020-21**

| <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 1/19/20   | \$1,398,438.12 | 8,505.69             | 4,846.14            |                   |
| February 19, 2020   | \$1,389,903.13 | 8,534.99             | 4,816.84            | 13,351.83         |
| March 19, 2020  | \$1,381,029.88 | 8,873.25             | 4,478.58            | 13,351.83         |
| April 19, 2020  | \$1,372,434.93 | 8,594.95             | 4,756.88            | 13,351.83         |
| May 19, 2020  | \$1,363,657.88 | 8,777.05             | 4,574.78            | 13,351.83         |
| June 19, 2020   | \$1,355,003.09 | 8,654.79             | 4,697.04            | 13,351.83         |
| July 19, 2020   | \$1,346,167.94 | 8,835.15             | 4,516.68            | 13,351.83         |
| August 19, 2020   | \$1,337,452.91 | 8,715.03             | 4,636.80            | 13,351.83         |
| September 19, 2020  | \$1,328,707.86 | 8,745.05             | 4,606.78            | 13,351.83         |
| October 19, 2020  | \$1,319,903.39 | 8,804.47             | 4,705.84            | 13,510.31         |
| November 19, 2020   | \$1,311,223.56 | 8,679.83             | 4,830.48            | 13,510.31         |
| December 19, 2020   | \$1,302,357.17 | 8,866.39             | 4,643.92            | 13,510.31         |
| January 19, 2021  | \$1,293,613.13 | 8,744.04             | 4,766.27            | 13,510.31         |
| February 19, 2021   | \$1,284,837.08 | 8,776.05             | 4,734.26            | 13,510.31         |
| March 19, 2021  | \$1,275,573.87 | 9,263.21             | 4,247.10            | 13,510.31         |
| April 19, 2021  | \$1,266,731.81 | 8,842.06             | 4,668.25            | 13,510.31         |
| May 19, 2021  | \$1,257,707.84 | 9,023.97             | 4,486.34            | 13,510.31         |
| June 19, 2021   | \$1,248,800.39 | 8,907.45             | 4,602.86            | 13,510.31         |
| <b>Fiscal Year 2020 Projected Principal and Interest Payments</b> |                | <b>106,202.70</b>    | <b>55,445.58</b>    | <b>161,648.28</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.

**Lake Cumberland District Health Department  
Local Support Determinations for FY 2020-2021  
Russell County Public Health Taxing District**

0 From 2019 Property Tax Assessment

|  | <b>Total Property<br/>Subject to<br/>Taxation</b> | <b>Real Property<br/>Subject to<br/>Taxation</b> | <b>Personal<br/>Property<br/>Subject to<br/>Taxation</b> | <b>Motor Vehicle<br/>Property<br/>Subject to<br/>Taxation</b> |
|--|---|--|--|---|
| F - Real Estate                                  | 888,615,522                                       | 888,615,522                                      |  |   |
| G - Tangible Personal                            | 43,971,995  |  | 43,971,995   |   |
| H - PS Real Estate - Effective                   | 2,417,467   | 2,417,467  |  |   |
| I - PS Tangible - Effective                      | 73,199,849  |  | 73,199,849   |   |
| J - Distilled Spirits                            | 0   |  |  |   |
| M - Motor Vehicles                               | 111,347,168                                       |  |  | 111,347,168   |
| N - Watercraft                                   | 26,775,554  |  | 26,775,554   |   |
| Aircraft   | 1,738,000   |  | 1,738,000  |   |
| Watercraft (Non-Commercial)                      | 25,676,327  |  | 25,676,327   |   |
| Inventory in Transit                             | 43,345,728  |  | 43,345,728   |   |
| <b>Total</b>                                     | <b>1,217,087,610</b>                              | <b>891,032,989</b>                               | <b>214,707,453</b>                                       | <b>111,347,168</b>  |
| Tax Base (Total Divided by 100)                  | 12,170,876  | 8,910,330  | 2,147,075  | 1,113,472   |
| Tax Rate   |   | \$ 0.0450  | \$ 0.0450  | \$ 0.0450   |
| <b>Total Projected Tax (Tax Base * Tax Rate)</b> | <b>547,689</b>                                    | <b>400,965</b>                                   | <b>96,618</b>  | <b>50,106</b>   |
| Required Support @ .028                          | 340,785   | 249,489  | 60,118   | 31,177  |
| Tax Support for Land, Building & Equipment       | 206,905   | 151,476  | 36,500   | 18,929  |
| Tax Projections @ 95% Collection Rate            |   |  |  |   |
| Real Property Projections                        | 380,917   |  |  |   |
| Tangible Personal Property Projections           | 91,787  |  |  |   |
| Motor Vehicle Projections                        | 47,601  |  |  |   |
| <b>Total</b>                                     | <b>520,305</b>                                    |  |  |   |

**Lake Cumberland District Health Department  
Local Support Determinations for FY 2020-2021  
Russell County Public Health Taxing District**

0 From 2019 Property Tax Assessment

|  | <b>Total Property<br/>Subject to<br/>Taxation</b> | <b>Real Property<br/>Subject to<br/>Taxation</b> | <b>Personal<br/>Property<br/>Subject to<br/>Taxation</b> | <b>Motor Vehicle<br/>Property<br/>Subject to<br/>Taxation</b> |
|--|---|--|--|---|
| F - Real Estate                                  | 888,615,522                                       | 888,615,522                                      |  |   |
| G - Tangible Personal                            | 43,971,995  |  | 43,971,995   |   |
| H - PS Real Estate - Effective                   | 2,417,467   | 2,417,467  |  |   |
| I - PS Tangible - Effective                      | 73,199,849  |  | 73,199,849   |   |
| J - Distilled Spirits                            | 0   |  |  |   |
| M - Motor Vehicles                               | 111,347,168                                       |  |  | 111,347,168   |
| N - Watercraft                                   | 26,775,554  |  | 26,775,554   |   |
| Aircraft   | 1,738,000   |  | 1,738,000  |   |
| Watercraft (Non-Commercial)                      | 25,676,327  |  | 25,676,327   |   |
| Inventory in Transit                             | 43,345,728  |  | 43,345,728   |   |
| <b>Total</b>                                     | <b>1,217,087,610</b>                              | <b>891,032,989</b>                               | <b>214,707,453</b>                                       | <b>111,347,168</b>  |
| Tax Base (Total Divided by 100)                  | 12,170,876  | 8,910,330  | 2,147,075  | 1,113,472   |
| Tax Rate   |   | \$ 0.0470  | \$ 0.0470  | \$ 0.0470   |
| <b>Total Projected Tax (Tax Base * Tax Rate)</b> | <b>572,031</b>                                    | <b>418,786</b>                                   | <b>100,913</b>   | <b>52,333</b>   |
| Required Support @ .028                          | 340,785   | 249,489  | 60,118   | 31,177  |
| Tax Support for Land, Building & Equipment       | 231,247   | 169,296  | 40,794   | 21,156  |
| Tax Projections @ 95% Collection Rate            |   |  |  |   |
| Real Property Projections                        | 397,846   |  |  |   |
| Tangible Personal Property Projections           | 95,867  |  |  |   |
| Motor Vehicle Projections                        | 49,717  |  |  |   |
| <b>Total</b>                                     | <b>543,430</b>                                    |  |  |   |

**Lake Cumberland District Health Department  
Local Support Determinations for FY 2020-2021  
Russell County Public Health Taxing District**

0 From 2019 Property Tax Assessment

|  | <b>Total Property<br/>Subject to<br/>Taxation</b> | <b>Real Property<br/>Subject to<br/>Taxation</b> | <b>Personal<br/>Property<br/>Subject to<br/>Taxation</b> | <b>Motor Vehicle<br/>Property<br/>Subject to<br/>Taxation</b> |
|--|---|--|--|---|
| F - Real Estate                                  | 888,615,522                                       | 888,615,522                                      |  |   |
| G - Tangible Personal                            | 43,971,995  |  | 43,971,995   |   |
| H - PS Real Estate - Effective                   | 2,417,467   | 2,417,467  |  |   |
| I - PS Tangible - Effective                      | 73,199,849  |  | 73,199,849   |   |
| J - Distilled Spirits                            | 0   |  |  |   |
| M - Motor Vehicles                               | 111,347,168                                       |  |  | 111,347,168   |
| N - Watercraft                                   | 26,775,554  |  | 26,775,554   |   |
| Aircraft   | 1,738,000   |  | 1,738,000  |   |
| Watercraft (Non-Commercial)                      | 25,676,327  |  | 25,676,327   |   |
| Inventory in Transit                             | 43,345,728  |  | 43,345,728   |   |
| <b>Total</b>                                     | 1,217,087,610                                     | 891,032,989                                      | 214,707,453  | 111,347,168   |
| Tax Base (Total Divided by 100)                  | 12,170,876  | 8,910,330  | 2,147,075  | 1,113,472   |
| Tax Rate   |   | \$ 0.0480  | \$ 0.0480  | \$ 0.0480   |
| <b>Total Projected Tax (Tax Base * Tax Rate)</b> | <b>584,202</b>                                    | <b>427,696</b>                                   | <b>103,060</b>   | <b>53,447</b>   |
| Required Support @ .028                          | 340,785   | 249,489  | 60,118   | 31,177  |
| Tax Support for Land, Building & Equipment       | 243,418   | 178,207  | 42,941   | 22,269  |
| Tax Projections @ 95% Collection Rate            |   |  |  |   |
| Real Property Projections                        | 406,311   |  |  |   |
| Tangible Personal Property Projections           | 97,907  |  |  |   |
| Motor Vehicle Projections                        | 50,774  |  |  |   |
| <b>Total</b>                                     | <b>554,992</b>                                    |  |  |   |



WORKSHEET FOR CERTIFICATION ASSESSMENT FOR LOCAL GOVERNMENT

CLASS OF PROPERTY

REAL ESTATE, TANGIBLE PERSONALTY, PUBLIC SERVICE AND DISTILLED SPIRITS

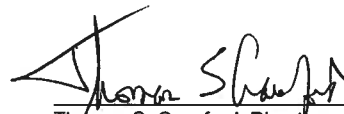
|  |                                   |                       |                                   |
|--|-----------------------------------|-----------------------|-----------------------------------|
| A 2018 Assessment of Adjusted Property At Full Rates   |                                   |                       | 992,637,598                       |
| Net Change in  | 2019                              | 90,508,200            |                                   |
| B 2019 Homestead Exemptions  | 2018                              | 86,190,500            | 4,317,700                         |
| C 2018 Adjusted Tax Base   |                                   |                       | 988,319,898                       |
| D 2019 Net Assessment Growth   |                                   |                       | 19,884,934                        |
| E 2019 Total Valuation of Adjusted Property at Full Rates  |                                   |                       | 1,008,204,832                     |
|  | Property Subject to Taxation 2018 | Net Assessment Growth | Property Subject to Taxation 2019 |
| F Real Estate  | \$867,329,712                     | 25,603,510            | \$888,615,522                     |
| G Tangible Personalty  | 55,757,391                        | (11,785,396)          | 43,971,995                        |
| H P.S. Co-Real Estate-Effective  | 2,405,705                         | 11,762                | 2,417,467 *                       |
| P.S. Co.-Real Estate-100%  | 2,405,705                         | 11,762                | 2,417,467 *                       |
| I P.S. Co.-Tang.-Effective   | 67,144,790                        | 6,055,058             | 73,199,849 *                      |
| P.S. Co.-Tang.-100%  | 69,973,268                        | 6,669,050             | 76,642,318 *                      |
| J Distilled Spirits  | -                                 | -                     | -                                 |
| K Electric Plant Board   | -                                 | -                     | -                                 |
| L Insurance Shares   | -                                 | -                     | -                                 |
| M Motor Vehicles - Includes Public Service Motor Vehicles  | 106,962,858                       |                       | 111,347,168                       |
| N Watercraft   | 22,026,412                        |                       | 26,775,554                        |
| Net New Property: PVA Real Estate  |                                   |                       | 6,428,250                         |
| P. S. Co. Real Estate-Effective  |                                   |                       | 11,762 *                          |
| Unmined Coal   |                                   |                       | -                                 |
| Tobacco in Storage   |                                   |                       | -                                 |
| Other Agricultural Products  |                                   |                       | -                                 |
| <p>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.</p> |                                   |                       |                                   |
| Aircraft(Recreational & Non-Commercial)  |                                   |                       | 1,738,000                         |
| Watercraft( Non-Commercial)  |                                   |                       | 25,676,327                        |
| Inventory in transit   |                                   |                       | 43,345,728                        |
| 2018 R. E. Exonerations & Refunds  |                                   |                       | 3,172,850                         |
| 2018 Tangible Exonerations & Refunds   |                                   |                       | 150,716                           |

\* 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 2019, 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

7-12-2019

  
 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  | 2011 | \$ 176,362.05 | \$ 155,739.90 | \$ 20,622.15    | \$ 209,689.59        |                                 | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2012 | \$ 208,495.96 | \$ 209,241.65 | \$ (745.69)     | \$ 208,943.90        | 0%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2013 | \$ 216,845.85 | \$ 220,436.76 | \$ (3,590.91)   | \$ 205,352.99        | -2%                             | 98%  | 2%   |              |                              |                      |                   |
|                 |          | 2014 | \$ 215,158.91 | \$ 212,152.08 | \$ 3,006.83     | \$ 208,359.82        | 1%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2015 | \$ 221,362.30 | \$ 208,321.80 | \$ 13,040.50    | \$ 221,400.32        | 6%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2016 | \$ 218,981.12 | \$ 217,606.52 | \$ 13,040.50    | \$ 222,774.92        | 1%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2017 | \$ 222,565.64 | \$ 234,928.07 | \$ (12,362.43)  | \$ 210,412.49        | -6%                             | 95%  | 5%   |              |                              |                      |                   |
|                 |          | 2018 | \$ 220,562.72 | \$ 224,692.31 | \$ (4,129.59)   | \$ 206,282.90        | -2%                             | 98%  | 2%   |              |                              |                      |                   |
|                 |          | 2019 | \$ 235,684.82 | \$ 228,131.59 | \$ 7,553.23     | \$ 213,836.13        | 4%                              | 100%   | 0%   | 10,845       | \$ 2,331,675.00              | \$ 233,167.50        | 92%               |
|                 |          | μ    | \$ 215,113.26 | \$ 212,361.19 | \$ 2,752.08     | \$ 211,894.78        |                                 |  |  |              |                              |                      |                   |
| Casey           | \$0.043  | 2011 | \$ 237,574.17 | \$ 114,985.37 | \$ 122,588.80   | \$ 138,541.99        |                                 | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2012 | \$ 247,924.81 | \$ 170,292.47 | \$ 77,632.34    | \$ 216,174.33        | 36%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2013 | \$ 252,295.48 | \$ 169,728.85 | \$ 82,566.63    | \$ 298,740.96        | 28%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2014 | \$ 247,380.71 | \$ 176,819.38 | \$ 70,561.33    | \$ 369,302.29        | 19%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2015 | \$ 261,373.84 | \$ 200,095.03 | \$ 61,278.81    | \$ 430,581.10        | 14%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2016 | \$ 269,572.29 | \$ 178,972.13 | \$ 90,600.16    | \$ 521,181.26        | 17%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2017 | \$ 273,914.44 | \$ 191,024.91 | \$ 82,889.53    | \$ 604,070.79        | 14%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2018 | \$ 273,696.22 | \$ 196,947.43 | \$ 76,748.79    | \$ 680,819.58        | 11%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2019 | \$ 318,449.10 | \$ 193,730.40 | \$ 124,718.70   | \$ 805,538.28        | 15%                             | 100%   | 0%   | 4,187        | \$ 900,205.00                | \$ 90,020.50         | 895%              |
|                 |          | μ    | \$ 264,686.78 | \$ 176,955.11 | \$ 87,731.68    | \$ 451,661.18        |                                 |  |  |              |                              |                      |                   |
| Clinton         | \$0.035  | 2011 | \$ 116,202.81 | \$ 87,867.60  | \$ 28,335.21    | \$ 111,499.15        |                                 | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2012 | \$ 161,742.57 | \$ 139,766.60 | \$ 21,975.97    | \$ 133,475.12        | 16%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2013 | \$ 168,576.78 | \$ 147,041.29 | \$ 21,535.49    | \$ 155,010.61        | 14%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2014 | \$ 169,844.80 | \$ 142,090.30 | \$ 27,754.50    | \$ 182,765.11        | 15%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2015 | \$ 163,111.64 | \$ 140,070.60 | \$ 23,041.04    | \$ 205,806.15        | 11%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2016 | \$ 170,384.82 | \$ 149,560.36 | \$ 20,824.46    | \$ 226,630.61        | 9%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2017 | \$ 172,093.31 | \$ 145,559.99 | \$ 26,533.32    | \$ 253,163.93        | 10%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2018 | \$ 167,752.72 | \$ 171,341.49 | \$ (3,588.77)   | \$ 249,575.16        | -1%                             | 98%  | 2%   |              |                              |                      |                   |
|                 |          | 2019 | \$ 186,702.76 | \$ 175,151.12 | \$ 11,551.64    | \$ 261,126.80        | 4%                              | 100%   | 0%   | 4,209        | \$ 904,935.00                | \$ 90,493.50         | 289%              |
|                 |          | μ    | \$ 164,045.80 | \$ 144,272.15 | \$ 19,773.65    | \$ 197,672.52        |                                 |  |  |              |                              |                      |                   |
| Cumberland      | \$0.035  | 2011 | \$ 79,402.91  | \$ 61,821.51  | \$ 17,581.40    | \$ 65,347.14         |                                 | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2012 | \$ 111,667.46 | \$ 96,242.00  | \$ 15,425.46    | \$ 80,772.60         | 19%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2013 | \$ 114,708.98 | \$ 114,831.98 | \$ (123.00)     | \$ 80,649.60         | 0%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2014 | \$ 119,085.31 | \$ 97,008.94  | \$ 22,076.37    | \$ 102,725.97        | 21%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2015 | \$ 117,208.75 | \$ 96,586.60  | \$ 20,622.15    | \$ 123,348.12        | 17%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2016 | \$ 122,373.28 | \$ 118,901.32 | \$ 3,471.96     | \$ 126,820.08        | 3%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2017 | \$ 123,778.01 | \$ 143,003.58 | \$ (19,225.57)  | \$ 107,594.51        | -18%                            | 87%  | 13%  |              |                              |                      |                   |
|                 |          | 2018 | \$ 126,050.13 | \$ 132,076.09 | \$ (6,025.96)   | \$ 101,568.55        | -6%                             | 95%  | 5%   |              |                              |                      |                   |
|                 |          | 2019 | \$ 127,976.42 | \$ 111,817.78 | \$ 16,158.64    | \$ 117,727.19        | 14%                             | 100%   | 0%   | 6,486        | \$ 1,394,490.00              | \$ 139,449.00        | 84%               |
|                 |          | μ    | \$ 115,805.69 | \$ 108,032.20 | \$ 7,773.49     | \$ 100,728.20        |                                 |  |  |              |                              |                      |                   |
| Green           | \$0.034  | 2011 | \$ 138,413.23 | \$ 109,070.63 | \$ 29,342.60    | \$ 108,351.76        |                                 | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2012 | \$ 142,882.49 | \$ 151,709.98 | \$ (8,827.49)   | \$ 99,524.27         | -9%                             | 94%  | 6%   |              |                              |                      |                   |
|                 |          | 2013 | \$ 152,090.47 | \$ 143,711.44 | \$ 8,379.03     | \$ 107,903.30        | 8%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2014 | \$ 141,318.06 | \$ 131,384.68 | \$ 9,933.38     | \$ 117,836.68        | 8%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2015 | \$ 145,982.64 | \$ 126,382.41 | \$ 19,600.23    | \$ 137,436.91        | 14%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2016 | \$ 149,910.61 | \$ 127,673.72 | \$ 22,236.89    | \$ 159,673.80        | 14%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2017 | \$ 143,692.46 | \$ 132,194.83 | \$ 11,497.63    | \$ 171,171.43        | 7%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2018 | \$ 165,539.78 | \$ 152,169.86 | \$ 13,369.92    | \$ 184,541.35        | 7%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2019 | \$ 160,566.04 | \$ 139,953.23 | \$ 20,612.81    | \$ 205,154.16        | 10%                             | 100%   | 0%   | 4,595        | \$ 987,925.00                | \$ 98,792.50         | 208%              |
|                 |          | μ    | \$ 148,932.86 | \$ 134,916.75 | \$ 14,016.11    | \$ 143,510.41        |                                 |  |  |              |                              |                      |                   |

| 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  | 2011 | \$ 184,076.80   | \$ 155,877.44   | \$ 28,199.36    | \$ 293,302.01        |                                 | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2012 | \$ 193,873.57   | \$ 195,154.26   | \$ (1,280.69)   | \$ 292,021.32        | 0%                              | 99%  | 1%   |              |                              |                      |                   |
|                 |          | 2013 | \$ 192,101.76   | \$ 187,218.54   | \$ 4,883.22     | \$ 296,904.54        | 2%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2014 | \$ 177,438.07   | \$ 149,970.48   | \$ 27,467.59    | \$ 324,372.13        | 8%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2015 | \$ 196,835.96   | \$ 151,420.18   | \$ 45,415.78    | \$ 369,787.91        | 12%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2016 | \$ 195,250.85   | \$ 188,962.06   | \$ 6,288.79     | \$ 376,076.70        | 2%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2017 | \$ 195,363.46   | \$ 154,919.22   | \$ 40,444.24    | \$ 416,520.94        | 10%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2018 | \$ 200,555.23   | \$ 179,116.53   | \$ 21,438.70    | \$ 437,959.64        | 5%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2019 | \$ 231,978.73   | \$ 204,619.27   | \$ 27,359.46    | \$ 465,319.10        | 6%                              | 100%   | 0%   | 7,254        | \$ 1,559,610.00              | \$ 155,961.00        | 298%              |
|                 |          | μ    | \$ 196,386.05   | \$ 174,139.78   | \$ 22,246.27    | \$ 363,584.92        |                                 |  |  |              |                              |                      |                   |
| Pulaski         | \$0.030  | 2011 | \$ 768,661.39   | \$ 703,676.35   | \$ 64,985.04    | \$ 469,096.12        |                                 | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2012 | \$ 1,124,615.32 | \$ 1,132,202.94 | \$ (7,587.62)   | \$ 461,508.50        | -2%                             | 99%  | 1%   |              |                              |                      |                   |
|                 |          | 2013 | \$ 1,142,524.71 | \$ 1,128,369.15 | \$ 14,155.56    | \$ 475,664.06        | 3%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2014 | \$ 1,167,327.70 | \$ 1,140,189.79 | \$ 27,137.91    | \$ 502,801.97        | 5%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2015 | \$ 1,185,553.54 | \$ 1,144,846.29 | \$ 40,707.25    | \$ 543,509.22        | 7%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2016 | \$ 1,183,571.71 | \$ 1,159,188.62 | \$ 24,383.09    | \$ 567,892.31        | 4%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2017 | \$ 1,249,375.16 | \$ 1,171,924.09 | \$ 77,451.07    | \$ 645,343.38        | 12%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2018 | \$ 1,271,483.66 | \$ 1,216,336.91 | \$ 55,146.75    | \$ 700,490.13        | 8%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2019 | \$ 1,307,727.56 | \$ 1,347,209.84 | \$ (39,482.28)  | \$ 661,007.85        | -6%                             | 97%  | 3%   | 20,435       | \$ 4,393,525.00              | \$ 439,352.50        | 150%              |
|                 |          | μ    | \$ 1,155,648.97 | \$ 1,127,104.89 | \$ 28,544.09    | \$ 558,590.39        |                                 |  |  |              |                              |                      |                   |
| Russell         | \$0.045  | 2011 | \$ 2,776,219.46 | \$ 2,395,127.28 | \$ 381,092.18   | \$ 269,154.51        |                                 | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2012 | \$ 615,169.29   | \$ 871,030.89   | \$ (255,861.60) | \$ 13,292.91         | -1925%                          | 71%  | 29%  |              |                              |                      |                   |
|                 |          | 2013 | \$ 495,923.69   | \$ 503,315.76   | \$ (7,392.07)   | \$ 5,900.84          | -125%                           | 99%  | 1%   |              |                              |                      |                   |
|                 |          | 2014 | \$ 494,908.53   | \$ 478,979.98   | \$ 15,928.55    | \$ 21,829.39         | 73%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2015 | \$ 471,725.84   | \$ 479,033.98   | \$ (7,308.14)   | \$ 14,521.25         | -50%                            | 98%  | 2%   |              |                              |                      |                   |
|                 |          | 2016 | \$ 473,420.18   | \$ 481,538.14   | \$ (8,117.96)   | \$ 6,403.29          | -127%                           | 98%  | 2%   |              |                              |                      |                   |
|                 |          | 2017 | \$ 491,375.03   | \$ 482,151.19   | \$ 9,223.84     | \$ 15,627.13         | 59%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2018 | \$ 495,178.84   | \$ 490,691.32   | \$ 4,487.52     | \$ 20,114.65         | 22%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2019 | \$ 523,462.30   | \$ 491,611.34   | \$ 31,850.96    | \$ 51,965.61         | 61%                             | 100%   | 0%   | 11,922       | \$ 2,563,230.00              | \$ 256,323.00        | 20%               |
|                 |          | μ    | \$ 759,709.24   | \$ 741,497.76   | \$ 18,211.48    | \$ 46,534.40         |                                 |  |  |              |                              |                      |                   |
| Taylor          | \$0.033  | 2011 | \$ 527,838.64   | \$ 399,190.86   | \$ 128,647.78   | \$ 125,032.69        |                                 | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2012 | \$ 566,066.33   | \$ 478,708.18   | \$ 87,358.15    | \$ 212,390.84        | 41%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2013 | \$ 561,222.69   | \$ 545,796.46   | \$ 15,426.23    | \$ 227,817.07        | 7%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2014 | \$ 531,961.91   | \$ 547,722.87   | \$ (15,760.96)  | \$ 212,056.11        | -7%                             | 97%  | 3%   |              |                              |                      |                   |
|                 |          | 2015 | \$ 553,598.18   | \$ 638,207.21   | \$ (84,609.03)  | \$ 127,447.08        | -66%                            | 87%  | 13%  |              |                              |                      |                   |
|                 |          | 2016 | \$ 465,873.17   | \$ 409,707.90   | \$ 56,165.27    | \$ 183,612.35        | 31%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2017 | \$ 452,101.52   | \$ 428,166.41   | \$ 23,935.11    | \$ 207,547.46        | 12%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2018 | \$ 467,301.55   | \$ 444,029.00   | \$ 23,272.55    | \$ 230,820.01        | 10%                             | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2019 | \$ 507,928.25   | \$ 448,155.85   | \$ 59,772.40    | \$ 290,592.41        | 21%                             | 100%   | 0%   | 15,771       | \$ 3,390,765.00              | \$ 339,076.50        | 86%               |
|                 |          | μ    | \$ 514,876.92   | \$ 482,187.19   | \$ 32,689.72    | \$ 201,924.00        |                                 |  |  |              |                              |                      |                   |
| Wayne           | \$0.030  | 2011 | \$ 246,997.96   | \$ 247,767.03   | \$ (769.07)     | \$ 126,662.95        |                                 | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2012 | \$ 254,564.94   | \$ 255,114.99   | \$ (550.05)     | \$ 126,112.90        | 0%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2013 | \$ 253,940.94   | \$ 260,779.95   | \$ (6,839.01)   | \$ 119,273.89        | -6%                             | 97%  | 3%   |              |                              |                      |                   |
|                 |          | 2014 | \$ 254,718.16   | \$ 250,867.90   | \$ 3,850.26     | \$ 123,124.15        | 3%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2015 | \$ 256,598.90   | \$ 278,343.61   | \$ (21,744.71)  | \$ 101,379.44        | -21%                            | 92%  | 8%   |              |                              |                      |                   |
|                 |          | 2016 | \$ 257,240.84   | \$ 258,597.18   | \$ (1,356.34)   | \$ 100,023.10        | -1%                             | 99%  | 1%   |              |                              |                      |                   |
|                 |          | 2017 | \$ 267,502.21   | \$ 267,598.01   | \$ (95.80)      | \$ 99,927.30         | 0%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2018 | \$ 270,796.59   | \$ 261,519.07   | \$ 9,277.52     | \$ 109,204.82        | 8%                              | 100%   | 0%   |              |                              |                      |                   |
|                 |          | 2019 | \$ 277,360.66   | \$ 265,265.77   | \$ 12,094.89    | \$ 121,299.71        | 10%                             | 100%   | 0%   | 12,177       | \$ 2,618,055.00              | \$ 261,805.50        | 46%               |
|                 |          | μ    | \$ 259,969.02   | \$ 260,650.39   | \$ (681.37)     | \$ 114,112.03        |                                 |  |  |              |                              |                      |                   |

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**Replacement LED lighting for Russell Co HD**

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**From** : Jane C Jones <jane.gosser@lcdhd.org>

Fri, Jan 17, 2020 04:14 PM

**Subject** : Replacement LED lighting for Russell Co HD

📎 1 attachment

**To** : Ronald Cimala <ronald.cimala@lcdhd.org>

Hi Ron.....we have 240 lights (if I counted correctly 238 but 240 would be safer). If Brian does approx. 5 replacements a week (48 weeks to complete) at \$40 a light, it will be approx. \$9600 (I rounded to \$10,000). If we hire someone to do it, it would take approx. 1-2 weeks at \$70 a light, that is \$16,800 (I rounded to \$17,000). I plan on having Brian write something out for me to let them know how much it would save in bulb/ballast replacement costs prior to the meeting.

*Jane Gosser**Office Manager/Support Services Manager**Russell County Health Department**211 Fruit of the Loom Drive**Jamestown, KY 42629**Office: 270-343-2181**Fax: 270-974-4084 \*\*Please note new fax number\*\***[www.lcdhd.org](http://www.lcdhd.org)*

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 **Russell 2019-20 Taxing District Expense Calculation Budget.xlsx**  
12 KB

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

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**FINANCIAL STATEMENTS  
June 30, 2019**

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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) which comprise the statement of assets, liabilities, and fund balance – regulatory basis as of and for the year ended June 30, 2019, the related statement of revenues, expenditures, and changes in fund balance – regulatory basis, and the related notes to the financial statements.

### *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 auditor's 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.

***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, 2019, 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 of the Russell County Public Health Taxing District, as of June 30, 2019, and the respective revenues and expenditures 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 January 6, 2020, 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  
January 6, 2020

**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT**  
**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE**  
**REGULATORY BASIS**  
**June 30, 2019**

---

**ASSETS**

|                  |                       |
|------------------|-----------------------|
| Current assets   |                       |
| Cash             | \$ <u>433,058</u>     |
| <br>Total assets | <br>\$ <u>433,058</u> |

**LIABILITIES AND FUND BALANCE**

|  |                       |
|--|-----------------------|
| Fund balance                           |                       |
| Restricted                             | \$ <u>433,058</u>     |
| <br>Total liabilities and fund balance | <br>\$ <u>433,058</u> |

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, 2019**

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|   |                   |
|---|-------------------|
| <b>Revenues</b>                               |                   |
| Taxes collected                               | \$ 522,950        |
| Interest earned                               | <u>513</u>        |
| Total revenues                                | <u>523,463</u>    |
| <b>Expenditures</b>                           |                   |
| Transfers to Health Department                | 316,284           |
| Operating                                     | 11,301            |
| Professional services                         | 1,300             |
| Capital outlay                                | 2,505             |
| Debt service                                  | <u>160,222</u>    |
| Total expenditures                            | <u>491,612</u>    |
| <b>EXCESS OF REVENUES OVER (EXPENDITURES)</b> | 31,851            |
| FUND BALANCE - beginning of year              | <u>401,207</u>    |
| <b>FUND BALANCE - END OF YEAR</b>             | <u>\$ 433,058</u> |

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



**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

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**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 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 expenditures 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 January 6, 2020, 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, 2019, have not been evaluated by the Taxing District.

**2. TAX LEVY**

On May 25, 2018, the Russell County Board of Health passed a resolution recording the fiscal year 2019 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, 2019.

**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019**

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**3. CASH**

KRS 66.480 authorizes the Taxing District to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which have a physical presence in Kentucky and are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4). The Statute also authorizes investment in mutual funds, exchange traded funds, individual equity securities and high-quality corporate bonds that are managed by a professional investment manager and subject to additional requirements outlined in KRS 66.480.

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, 2019, were fully covered by federal depository insurance or by collateral held by the custodial banks in the Taxing District's name.

|                                  |                     |
|----------------------------------|---------------------|
| Total cash deposits              | \$ 433,058          |
| FDIC insurance                   | (250,000)           |
| Collateral held by pledging bank | <u>(501,421)</u>    |
| (Over) Collateralized            | <u>\$ (318,363)</u> |

**4. RELATED PARTIES**

The Taxing District is related to the Lake Cumberland District Health Department by common board supervision. A total of \$316,284 in public health taxes, were transferred to the Lake Cumberland District Health Department during the year ended June 30, 2019. The Taxing District also transferred \$14,844 to the District Health Department to reimburse it for expenses paid on behalf of the Taxing District.

**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019**

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**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 \$1,458,546 at June 30, 2019 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<br>June 30, | Principal           | Interest          | Total               |
|------------------------|---------------------|-------------------|---------------------|
| 2020                   | \$ 99,957           | \$ 62,163         | \$ 162,120          |
| 2021                   | 104,205             | 57,915            | 162,120             |
| 2022                   | 108,634             | 53,486            | 162,120             |
| 2023                   | 113,250             | 48,870            | 162,120             |
| 2024                   | 118,064             | 44,056            | 162,120             |
| 2025-2028              | 669,987             | 140,613           | 810,600             |
| 2029-2031              | <u>244,449</u>      | <u>14,688</u>     | <u>259,137</u>      |
| Total                  | <u>\$ 1,458,546</u> | <u>\$ 421,791</u> | <u>\$ 1,880,337</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, 2019, 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 January 6, 2020. 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  
January 6, 2020

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

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**FINANCIAL STATEMENTS  
June 30, 2019**

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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) which comprise the statement of assets, liabilities, and fund balance – regulatory basis as of and for the year ended June 30, 2019, the related statement of revenues, expenditures, and changes in fund balance – regulatory basis, and the related notes to the financial statements.

### ***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 auditor's 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.



***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, 2019, 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 of the Russell County Public Health Taxing District, as of June 30, 2019, and the respective revenues and expenditures 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 January 6, 2020, 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  
January 6, 2020

**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT**  
**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE**  
**REGULATORY BASIS**  
**June 30, 2019**

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**ASSETS**

Current assets

Cash

\$ 433,058

Total assets

\$ 433,058

**LIABILITIES AND FUND BALANCE**

Fund balance

Restricted

\$ 433,058

Total liabilities and fund balance

\$ 433,058

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, 2019**

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|   |                   |
|---|-------------------|
| <b>Revenues</b>                               |                   |
| Taxes collected                               | \$ 522,950        |
| Interest earned                               | <u>513</u>        |
| Total revenues                                | <u>523,463</u>    |
| <b>Expenditures</b>                           |                   |
| Transfers to Health Department                | 316,284           |
| Operating                                     | 11,301            |
| Professional services                         | 1,300             |
| Capital outlay                                | 2,505             |
| Debt service                                  | <u>160,222</u>    |
| Total expenditures                            | <u>491,612</u>    |
| <b>EXCESS OF REVENUES OVER (EXPENDITURES)</b> | 31,851            |
| FUND BALANCE - beginning of year              | <u>401,207</u>    |
| <b>FUND BALANCE - END OF YEAR</b>             | <u>\$ 433,058</u> |

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

**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

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**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 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 expenditures 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 January 6, 2020, 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, 2019, have not been evaluated by the Taxing District.

**2. TAX LEVY**

On May 25, 2018, the Russell County Board of Health passed a resolution recording the fiscal year 2019 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, 2019.



**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2019**

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**3. CASH**

KRS 66.480 authorizes the Taxing District to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which have a physical presence in Kentucky and are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4). The Statute also authorizes investment in mutual funds, exchange traded funds, individual equity securities and high-quality corporate bonds that are managed by a professional investment manager and subject to additional requirements outlined in KRS 66.480.

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, 2019, were fully covered by federal depository insurance or by collateral held by the custodial banks in the Taxing District's name.

|                                  |                         |
|----------------------------------|-------------------------|
| Total cash deposits              | \$ 433,058              |
| FDIC insurance                   | (250,000)               |
| Collateral held by pledging bank | <u>(501,421)</u>        |
| <br>(Over) Collateralized        | <br><u>\$ (318,363)</u> |

**4. RELATED PARTIES**

The Taxing District is related to the Lake Cumberland District Health Department by common board supervision. A total of \$316,284 in public health taxes, were transferred to the Lake Cumberland District Health Department during the year ended June 30, 2019. The Taxing District also transferred \$14,844 to the District Health Department to reimburse it for expenses paid on behalf of the Taxing District.

**RUSSELL COUNTY PUBLIC HEALTH TAXING DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2019**

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**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 \$1,458,546 at June 30, 2019 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<br>June 30, | Principal           | Interest          | Total               |
|------------------------|---------------------|-------------------|---------------------|
| 2020                   | \$ 99,957           | \$ 62,163         | \$ 162,120          |
| 2021                   | 104,205             | 57,915            | 162,120             |
| 2022                   | 108,634             | 53,486            | 162,120             |
| 2023                   | 113,250             | 48,870            | 162,120             |
| 2024                   | 118,064             | 44,056            | 162,120             |
| 2025-2028              | 669,987             | 140,613           | 810,600             |
| 2029-2031              | <u>244,449</u>      | <u>14,688</u>     | <u>259,137</u>      |
| Total                  | <u>\$ 1,458,546</u> | <u>\$ 421,791</u> | <u>\$ 1,880,337</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, 2019, 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 January 6, 2020. 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  
January 6, 2020