

**MADISON COUNTY  
HEALTH DEPARTMENT  
Richmond, Kentucky**

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**FINANCIAL STATEMENTS  
June 30, 2014**

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Certified Public Accountants and Consultants

**INDEPENDENT AUDITORS' REPORT**

To the Board of Health  
Madison County Health Department  
Richmond, Kentucky

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Madison County Health Department (the Health Department) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Health Department's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the ***Administrative Reference*** established by the Commonwealth of Kentucky, Cabinet for Health and Family Services, Department for Public Health, Division of Administration and Financial Management; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express opinions 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 opinions.

***Opinions***

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

As described in Note 1, the financial statements are prepared by the Health Department, 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.

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### **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 Health Department as of June 30, 2014, and the respective changes in financial position for the year then ended.

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

In our opinion, the financial statements referred to above, present fairly, in all material respects, the assets, liabilities and fund balances arising from cash transactions of the Madison County Health Department, as of June 30, 2014, and the respective cash receipts and cash disbursements, and budgetary results for the year then ended, in accordance with the financial reporting provisions of the **Administrative Reference** as described in Note 1.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Health Department’s basic financial statements. The supplementary schedules of revenues and expenditures by reporting area are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**, and is also not a required part of the basic financial statements.

The supplementary schedules of revenues and expenditures by reporting area and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules of revenues and expenditures by reporting area and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with **Government Auditing Standards**, we have also issued our report dated October 23, 2014, on our consideration of the Health Department’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 Health Department’s internal control over financial reporting and compliance.

*Ray, Foley, Hensley & Company*

Ray, Foley, Hensley & Company, PLLC  
October 23, 2014

**MADISON COUNTY HEALTH DEPARTMENT  
STATEMENT OF ASSETS, LIABILITIES  
AND FUND BALANCE  
June 30, 2014**

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**ASSETS**

Current assets		
Cash		
Checking		\$ 1,681,130
Certificates of deposit		2,050,000
Petty cash		<u>400</u>
Total assets		<u>\$ 3,731,530</u>

**LIABILITIES AND FUND BALANCE**

Current liabilities		
Payroll withholdings and other payables		\$ 51,548
Fund Balance		
Unrestricted	\$ 1,203,747	
Restricted - State	10,893	
Restricted - Federal	-	
Restricted - Fees	<u>2,465,342</u>	
Total fund balance		<u>3,679,982</u>
Total liabilities and fund balance		<u>\$ 3,731,530</u>

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

**MADISON COUNTY HEALTH DEPARTMENT  
STATEMENT OF CASH REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
for the year ended June 30, 2014**

	<b>Budget</b>	<b>Actual</b>	<b>Over (under) Budget</b>
<b>CASH REVENUES</b>			
State	\$ 668,877	\$ 663,264	\$ (5,613)
Federal, pass-through	875,775	1,011,336	135,561
Local	2,530,370	2,545,506	15,136
Service fees and other	6,510,085	6,876,574	366,489
Interest	<u>12,000</u>	<u>8,676</u>	<u>(3,324)</u>
 Total cash revenues	 <u>10,597,107</u>	 <u>11,105,356</u>	 <u>508,249</u>
 <b>CASH EXPENDITURES</b>			
Salaries and leave	4,716,578	4,613,184	(103,394)
Part-time	153,295	194,024	40,729
Fringe benefits	2,574,569	2,415,326	(159,243)
Contracts	1,695,940	1,763,171	67,231
Travel	186,599	176,913	(9,686)
Space occupancy	135,733	177,796	42,063
Office and administrative expense	425,504	575,375	149,871
Medical supplies	379,793	428,584	48,791
Other operating expenses	292,593	281,291	(11,302)
Capital items	<u>36,500</u>	<u>47,769</u>	<u>11,269</u>
 Total cash expenditures	 <u>10,597,104</u>	 <u>10,673,433</u>	 <u>76,329</u>
 <b>EXCESS OF REVENUES OVER EXPENDITURES</b>	 3	 431,923	 431,920
 Prior year funds used	 -	 431,916	 431,916
 FUND BALANCE - beginning of year	 <u>3,248,060</u>	 <u>2,816,143</u>	 <u>(431,917)</u>
 <b>FUND BALANCE - END OF YEAR</b>	 <u>\$ 3,248,063</u>	 <u>\$ 3,679,982</u>	 <u>\$ 431,919</u>

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

**MADISON COUNTY HEALTH DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014**

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**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

The Madison County Health Department (the Health Department) records revenues and expenditures on the cash receipts and disbursements method in accordance with the ***Administrative Reference*** established by the Commonwealth of Kentucky, Cabinet for Health and Family Services, Department for Public Health, Division of Administration and Financial Management. This basis of accounting and financial reporting differs from generally accepted accounting principles in several areas. Accounts receivable for revenue earned, but not received, and accounts payable for payroll accrued and expense incurred, but unpaid, are not recorded. Inventories are not recorded, but are expensed to the current period. Property, plant and equipment are not capitalized and related depreciation expense, prepaid expenses and deferred revenues are not recorded.

Federal and state revenues for services are recognized as received and are based in some instances upon reimbursement reports filed by the Health Department for eligible services and are subject to adjustments based upon federal and state agency audits as to eligibility of recipients and the computation of reimbursable costs. As of October 23, 2014, no formal reports have been issued as a result of audits performed or in progress for the year ended June 30, 2014.

Source of Funds:

Revenue sources of the Health Department are divided into four groups as follows:

State - includes restricted and unrestricted state grant funds

Federal - includes federal grant funds passed through Cabinet for Health and Family Services

Local - includes funds from taxing districts, county and city's appropriations, and donations from private sources

Service fees and other - includes funds from Medicaid and Medicare payments for services, self-pay, insurance payments, other pay for service, and interest received.

All transactions are recorded in the general fund except those related to environmental inspection and permit fees. These fees are treated as escrow funds and are deposited in an environmental cash checking account with a portion being disbursed to the state and a portion being disbursed to the Health Department. Revenue is recorded in the general fund when the portion disbursed to the Health Department is deposited in the operations cash checking account.

Funding restricted for specific programs in excess of those programs' allowed reimbursements or expenditures are recorded at year-end in the Fund Balance - Restricted.

The Health Department is directed by the State when to use restricted or unrestricted funds when an expenditure is incurred for purposes for which both restricted and unrestricted funds are available.

The Health Department uses an indirect cost allocation plan as approved by the Commonwealth of Kentucky, Cabinet for Health and Family Services, Department for Public Health, and is prepared in accordance with OMB Circular A-87.

Functional classifications are included in supplementary data and are a part of the audit for the Health Department.

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly actual results could differ from those estimates.

**MADISON COUNTY HEALTH DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014**

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**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Health Department has evaluated and considered the need to recognize or disclose subsequent events through October 23, 2014, 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, 2014, have not been evaluated by the Health Department.

**2. CASH AND INVESTMENTS**

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes.

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Health Department 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 Health Department's deposits at June 30, 2014 were fully covered by federal depository insurance or by collateral held by the custodial banks in the Health Department's name.

Total cash and investments	\$ 3,876,370
FDIC insurance	(1,751,039)
Collateral held by pledging bank	<u>(2,685,801)</u>
 (Over) Collateralized	 <u>\$ (560,470)</u>

**3. FUND BALANCE**

Fund balance is restricted due to specific program restrictions. Fund balance is restricted as follows:

	State	Federal	Fees	Totals
Regional Training Center-827	\$ 10,893	\$ -	\$ -	\$ 10,893
Diabetes Services-809	-	-	8,062	8,062
Lead Services-811	-	-	2,341	2,341
MRC Building Funding Award-831	-	-	12,905	12,905
Supplemental School Health-858	-	-	415	415
EPSDT Home Health-865	-	-	2,362,309	2,362,309
Home & Community Based Waiver-868	<u>-</u>	<u>-</u>	<u>79,310</u>	<u>79,310</u>
 Total	 <u>\$ 10,893</u>	 <u>\$ -</u>	 <u>\$ 2,465,342</u>	 <u>\$ 2,476,235</u>



**MADISON COUNTY HEALTH DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014**

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**4. ACCRUED TIME-OFF**

The Health Department's accrued vacation and other potential compensated absences are not accrued as earned because the Health Department uses the cash basis of accounting. The Health Department records show a potential liability totaling \$417,607 at June 30, 2014.

**5. RISK MANAGEMENT**

The Health Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In addition to its general liability insurance, the health department also carries commercial insurance for all other risks of loss such as worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial coverage in any of the past three fiscal years.

**6. RETIREMENT PLAN**

The Health Department is a participating employer of the Kentucky Employees' Retirement System (KERS). Under the provisions of Kentucky Revised Statute 61.645, the Board of Trustees of Kentucky Retirement Systems administers the KERS.

The plan issues separate financial statements which may be obtained by request from Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601.

Plan Description – KERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the System. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living (COLA) adjustments are provided at the discretion of state legislature.

Contributions – For the year ended June 30, 2014, grandfathered plan members were required to contribute 5.00% of wages for non-hazardous job classifications. Employees hired after September 1, 2008 were required to contribute 6% of wages for non-hazardous job classifications. Participating employers were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 61.565(3), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last proceeding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. For the year ended June 30, 2014, participating employers contributed 26.79% of each non-hazardous employee's wages, which is equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Retirement System are financed through employer contributions and investment earnings.

The required contribution (employee and employer) and the actual percentage contributed for the Health Department for the current and previous two years are as follows:

<b>Year</b>	<b>Required Contribution</b>	<b>Percentage Contributed</b>
2014	\$ 1,343,268	100%
2013	\$ 1,574,362	100%
2012	\$ 1,558,368	100%

**MADISON COUNTY HEALTH DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2014**

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**7. COMPLIANCE**

The Madison County Health Department is in compliance with 902 KAR 8:170, Section 3, Subsection 3(c).

**8. HOME HEALTH MEDICAID**

The June 30, 2013 cost settlements for Home Health were processed and additional payment of \$777,499 was included in current year service fee revenues.

**9. RELATED PARTY**

The Health Department is related to the Madison County Public Health Taxing District by common Board members. The Madison County Board of Health sets the public health tax annually. A total of \$2,530,000 in public health taxes were transferred from the Taxing District to the Health Department for the year ended June 30, 2014.

**10. GASB 68**

In June 2012, the GASB approved a pair of related Statements that reflect substantial changes to the accounting and financial reporting of state and local government employers and pension plans. Statement No. 67, Financial Reporting for Pension Plans, addresses financial reporting for state and local government pension plans. Statement No. 68, Accounting and Financial Reporting for Pensions, addresses financial reporting for state and local government employers whose employees are provided with pensions through pension plans that are covered under Statement No. 67.

The guidance contained in these Statements will change how governments calculate and report the costs and obligations associated with pensions in important ways. It is designed to improve the decision usefulness of reported pension information and to increase the transparency, consistency, and comparability of pension information across governments. Under the pension standards now in effect, cost-sharing employers have not been required to present actuarial information about pensions. Instead, information has been required to be presented in the pension plan's own financial statements for all of the participating governments combined.

Through its research, the GASB concluded that the needs of users of information regarding cost-sharing employers do not differ significantly from those interested in single and agent employers. Therefore, the GASB believes it is important to give users of the financial statements of cost-sharing employers access to better, more transparent financial information. Consequently, under the new standards the GASB is requiring that cost-sharing governments report a net pension liability, pension expense, and pension related deferred inflows and outflows of resources based on their proportionate share of the collective amounts for all the governments in the plan.

Statement No. 68 will take effect for pension plan employers in fiscal years beginning after June 15, 2014, (that is, for years ended June 30, 2015, or later). The Health Department is currently evaluating the effects of this statement on its financial statements. The Health Department estimates that its total unfunded liability would be approximately \$36,162,000, based upon the 2013 plan financial statements plan contributions. The actual liability for June 30, 2015, could be considerably different due to changes in system assumptions and liabilities.

**SUPPLEMENTARY SCHEDULES**

**MADISON COUNTY HEALTH DEPARTMENT  
SUPPLEMENTARY SCHEDULE OF REVENUES BY REPORTING AREA  
for the year ended June 30, 2014**

		REVENUE					Total Costs	Department Carryover	Excess Revenues (Expenditures)	
		State	Federal	Local	Service Fees	Interest				Total Revenues
Food	500	\$ 180,651	\$ -	\$ -	\$ 22,076	\$ -	\$ 202,727	\$ 202,727	\$ -	\$ -
Public Facilities	520	58,151	-	-	6,733	-	64,884	64,884	-	-
General Sanitation	540	65,963	-	48,393	1,765	-	116,121	116,121	-	-
OnSite Sewage	560	-	-	153,660	69,099	-	222,759	-	-	-
Other Environmental	590	-	-	290	-	-	290	290	-	-
Radon	591	-	-	4,503	-	-	4,503	4,503	-	-
Food Mgr Cert Training	592	-	-	7,452	13,450	-	20,902	20,902	-	-
<b>Total Environmental</b>		<b>304,765</b>	<b>-</b>	<b>214,298</b>	<b>113,123</b>	<b>-</b>	<b>632,186</b>	<b>632,186</b>	<b>-</b>	<b>-</b>
Preventative & Presenting Problems	700	-	-	-	-	-	-	-	-	-
Oral Health	712	26,525	-	64,368	6,623	-	97,516	120,807	23,291	-
Laboratory/Testing/Radiology	718	-	-	-	-	-	-	-	-	-
Osteoporosis Prevention & Education	723	8,000	-	3,483	-	-	11,483	11,843	360	-
QI Project	724	-	5,000	1,781	-	-	6,781	6,781	-	-
ESAR-VHP	729	-	-	236	-	-	236	-	-	-
Breast Cancer R & E Trust Fund	730	20,000	-	26,244	-	-	46,244	46,244	-	-
H1N1	731	-	-	11	-	-	11	11	-	-
CHAT	736	-	5,012	4,744	-	-	9,756	9,756	-	-
Accreditation	750	-	-	21,119	-	-	21,119	21,119	-	-
Regional Epi HPP Activities	757	-	10,988	4,619	-	-	15,607	15,607	-	-
MCH Coorinator	766	-	19,660	12,577	-	-	32,237	32,237	-	-
PHEP Special Projects	771	-	14,010	7,342	-	-	21,352	21,352	-	-
Pediatric/Adolescent Visits	800	-	13,184	377,125	104,953	-	495,262	495,262	-	-
Family Planning/Sterilizations	802	1,566	92,593	277,542	51,821	-	423,522	423,522	-	-
Maternity Visits & Activities	803	-	-	42,370	101	-	42,471	-	-	-
WIC	804	-	430,104	183,444	-	-	613,548	613,548	-	-
MCH Nutrition & Activity	805	-	6,393	7,052	48	-	13,493	13,493	-	-
Tuberculosis Visits & Activity	806	-	50	111,342	8,886	-	120,278	120,278	-	-
Sexually Transmitted Disease	807	-	-	130,884	13,544	-	144,428	144,428	-	-
Diabetes Services	809	-	-	-	78,000	-	78,000	69,938	-	8,062
Adult Services	810	-	-	94,756	22,686	-	117,442	117,442	-	-
Lead Services	811	-	-	-	4	-	4	248	244	-
Breast and Cervical Cancer	813	-	31,762	189,474	15,900	-	237,136	237,136	-	-
Healthy Community	817	9,202	-	1,578	-	-	10,780	10,780	-	-
Community Based Programs	818	-	-	104,427	-	-	104,427	104,427	-	-
Preparedness Coordination	821	-	47,676	38,829	-	-	86,505	86,505	-	-
Epidemiology/Surveillance	822	-	80,581	80,905	-	-	161,486	161,486	-	-
Medical Reserve Corp	823	-	5,516	7,492	-	-	13,008	-	-	-
Regional Training Center	827	15,682	-	-	-	-	15,682	11,322	-	4,360
MRC Building Funding Award	831	-	-	-	3,500	-	3,500	5,286	1,786	-
Tobacco Grant	836	43,000	-	14,734	-	-	57,734	57,734	-	-
Federal Diabetes Today	841	-	2,000	1,315	-	-	3,315	3,315	-	-
HIV Prevention	842	2,650	-	309	-	-	2,959	-	-	-
H.A.N.D.S	853	80,100	-	263,344	476,161	-	819,605	819,605	-	-
Physical Activity	857	-	-	1,453	-	-	1,453	1,453	-	-
Supplemental School Health	858	-	-	-	3,745	-	3,745	3,330	-	415
Home Health	861	-	-	-	3,392,092	-	3,392,092	3,798,327	406,235	-
EPSDT Home Health	865	-	-	-	1,583,482	-	1,583,482	1,225,873	-	357,609
Home & Community Based Waiver	868	-	-	-	785,802	-	785,802	757,198	-	28,604
Performance Management	870	-	11,060	3,227	-	-	14,287	14,287	-	-
State Diabetes Personnel	871	104,465	-	7,023	-	-	111,488	111,488	-	-
Highway Safety Project	872	-	61,088	24,392	-	-	85,480	85,480	-	-
EPSDT Verbal Notification	883	-	-	2,012	32,173	-	34,185	34,185	-	-
Core Pub Hlth-Vital Statistics	890	-	-	8,320	-	-	8,320	-	-	-
Medicaid Match	891	-	-	66,471	-	-	66,471	66,471	-	-
<b>Total Medical</b>		<b>311,190</b>	<b>836,677</b>	<b>2,186,344</b>	<b>6,579,521</b>	<b>-</b>	<b>9,913,732</b>	<b>9,946,598</b>	<b>431,916</b>	<b>399,050</b>
Minor Restricted		-	-	-	6,774	-	6,774	6,774	-	-
Capital		-	-	41,615	6,154	-	47,769	47,769	-	-
Allocable Direct		47,309	174,659	103,249	171,002	8,676	504,895	40,106	-	464,789
<b>Total Administrative</b>		<b>47,309</b>	<b>174,659</b>	<b>144,864</b>	<b>183,930</b>	<b>8,676</b>	<b>559,438</b>	<b>94,649</b>	<b>-</b>	<b>464,789</b>
<b>Grand Total</b>		<b>\$ 663,264</b>	<b>\$ 1,011,336</b>	<b>\$ 2,545,506</b>	<b>\$ 6,876,574</b>	<b>\$ 8,676</b>	<b>\$ 11,105,356</b>	<b>\$ 10,673,433</b>	<b>\$ 431,916</b>	<b>\$ 863,839</b>

**MADISON COUNTY HEALTH DEPARTMENT  
SUPPLEMENTARY SCHEDULE OF DIRECT COSTS BY REPORTING AREA  
for the year ended June 30, 2014**

DIRECT COSTS												
	Salaries	Part-Time	Fringes	Contracts	Travel	Occupancy	Administration	Supplies	Other	Capital	Total Direct	
Food	500	\$ 78,084	\$ -	\$ 36,121	\$ -	\$ 2,822	\$ -	\$ -	\$ -	\$ -	\$ 117,027	
Public Facilities	520	25,587	-	11,830	-	811	-	-	-	-	38,228	
General Sanitation	540	46,165	-	21,351	-	2,315	-	-	200	-	70,031	
OnSite Sewage	560	84,242	-	38,965	-	7,030	-	-	-	-	130,237	
Other Environmental	590	20	-	-	-	-	-	-	-	-	20	
Radon	591	1,704	-	798	-	-	-	-	390	-	2,892	
Food Mgr Cert Training	592	8,360	-	3,856	-	-	-	-	-	-	12,216	
Total Environmental		244,162	-	112,921	-	12,978	-	-	590	-	370,651	
Preventative & Presenting Problems	700	347,749	39,443	169,547	6,191	644	-	132	43,536	405	607,647	
Oral Health	712	43,357	-	20,530	-	261	-	75	3,144	5,113	72,480	
Laboratory/Testing/Radiology	718	45,244	4,755	22,006	750	23	-	-	21,791	-	94,569	
Osteoporosis Prevention & Education	723	5,589	-	2,916	-	125	-	-	-	-	8,630	
QI Project	724	2,629	-	1,364	-	-	-	-	-	-	5,243	
ESAR-VHP	729	-	82	10	-	-	-	-	-	87	179	
Breast Cancer R & E Trust Fund	730	17,402	5,195	9,711	-	-	-	96	-	400	32,804	
H1N1	731	9	-	-	-	-	-	-	-	-	9	
CHAT	736	4,566	-	2,374	-	178	-	-	-	-	7,118	
Accreditation	750	9,969	-	5,195	-	66	-	-	-	-	15,230	
Regional Epi HPP Activities	757	7,302	-	3,809	-	112	-	-	-	-	11,223	
MCH Coordinator	766	14,952	-	7,802	-	-	-	-	-	774	23,528	
PHEP Special Projects	771	4,767	1,800	2,713	-	2,399	-	3,640	-	2,124	17,443	
Pediatric/Adolescent Visits	800	-	-	-	-	-	-	-	-	-	-	
Family Planning/Sterilizations	802	12,201	-	6,369	5,648	118	-	-	42,936	296	67,568	
Maternity Visits & Activities	803	-	-	-	9,629	-	-	-	-	-	9,629	
WIC	804	13,832	-	7,219	-	193	-	124	-	483	21,851	
MCH Nutrition & Activity	805	4,551	1,879	2,604	-	141	-	119	-	117	9,411	
Tuberculosis Visits & Activity	806	11,891	-	6,207	1,622	128	-	-	930	-	20,778	
Sexually Transmitted Disease	807	766	-	398	-	-	-	-	-	81	1,245	
Diabetes Services	809	32,635	-	17,025	322	67	-	-	-	409	50,458	
Adult Services	810	-	-	-	-	-	-	-	-	-	-	
Lead Services	811	-	-	-	-	-	-	-	-	-	-	
Breast and Cervical Cancer	813	20,368	131	10,643	64,427	28	-	-	-	146	95,743	
Healthy Community	817	1,099	-	566	4,790	155	-	485	-	3,057	10,152	
Community Based Programs	818	37,271	-	19,447	-	1,348	-	176	-	158	58,400	
Preparedness Coordination	821	36,380	-	18,977	-	2,184	-	829	-	6,535	64,905	
Epidemiology/Surveillance	822	75,569	-	39,412	-	2,604	-	-	-	100	117,685	
Medical Reserve Corp	823	-	6,645	813	-	454	-	-	-	396	8,308	
Regional Training Center	827	3,098	337	1,663	-	136	-	-	-	3,612	8,846	
MRC Building Funding Award	831	-	2,032	250	-	140	-	-	-	1,256	3,678	
Tobacco Grant	836	25,882	-	13,496	-	1,704	-	-	-	-	41,082	
Federal Diabetes Today	841	1,446	-	755	-	50	-	-	-	-	2,251	
HIV Prevention	842	1,138	187	613	-	-	-	-	-	-	1,938	
H.A.N.D.S	853	367,871	758	191,948	-	18,086	-	529	33	11,583	590,808	
Physical Activity	857	458	-	238	-	-	-	-	-	-	696	
Supplemental School Health	858	1,573	-	822	-	-	-	47	-	-	2,442	
Home Health	861	957,866	21,811	397,363	502,964	69,469	-	70,637	316,167	21,664	2,357,941	
EPSDT Home Health	865	4,080	13,441	3,436	1,150,080	1,438	-	-	-	-	1,172,475	
Home & Community Based Waiver	868	239,349	6,858	106,213	-	26,169	-	10	-	379	378,978	
Performance Management	870	12	-	-	14,275	-	-	-	-	-	14,287	
State Diabetes Personnel	871	57,570	-	27,254	-	4,663	-	-	-	294	89,781	
Highway Safety Project	872	43,981	-	20,811	-	1,687	-	195	-	1,725	68,399	
EPSDT Verbal Notification	883	16,337	-	8,516	-	83	-	-	-	-	24,936	
Core Pub Hlth-Vital Statistics	890	3,845	-	2,000	-	-	-	-	-	-	5,845	
Medicaid Match	891	-	-	-	-	-	-	-	66,471	-	66,471	
Total Medical		2,474,604	105,354	1,153,035	1,760,698	134,853	-	77,705	428,584	128,257	6,263,090	
Minor Restricted		-	-	-	-	-	-	-	6,774	-	6,774	
Capital		-	-	-	-	-	-	-	-	47,769	47,769	
Allocable Direct		-	-	40,106	-	-	-	-	-	-	40,106	
Total Administrative		-	-	40,106	-	-	-	-	6,774	47,769	94,649	
Indirect Cost Allocation - Departmental		388,715	20,544	242,555	-	5,907	-	279,448	-	112,979	1,050,148	
Indirect Cost Allocation - Environmental		85,737	-	52,952	-	81	-	1,270	-	569	140,609	
Indirect Cost Allocation - Clinic		562,440	29,894	279,461	-	1,265	-	15,914	-	570	889,544	
Indirect Cost Allocation - Medical		109,309	243	67,542	2,473	2,209	-	-	-	305	182,081	
Indirect Cost Allocation - Home Health		641,997	37,989	401,152	-	11,468	4,200	201,038	-	31,042	1,328,886	
Indirect Cost Allocation - Space		106,220	-	65,602	-	8,152	173,596	-	-	205	353,775	
Indirect Cost Allocation		1,894,418	88,670	1,109,264	2,473	29,082	177,796	497,670	-	145,670	3,945,043	
GRAND TOTALS		\$ 4,613,184	\$ 194,024	\$ 2,415,326	\$ 1,763,171	\$ 176,913	\$ 177,796	\$ 575,375	\$ 428,584	\$ 281,291	\$ 10,673,433	

**MADISON COUNTY HEALTH DEPARTMENT  
SUPPLEMENTARY SCHEDULE OF INDIRECT COSTS BY REPORTING AREA  
for the year ended June 30, 2014**

INDIRECT COSTS									
	Departmental	Environmental	Clinic	Medical	Home Health	Space	Allocation	Costs	
Food	500	\$ 28,774	\$ 44,968	\$ -	\$ -	\$ -	\$ 11,958	\$ -	\$ 85,700
Public Facilities	520	9,430	14,735	-	-	-	2,491	-	26,656
General Sanitation	540	17,012	26,587	-	-	-	2,491	-	46,090
OnSite Sewage	560	31,053	48,514	-	-	-	12,955	-	92,522
Other Environmental	590	11	11	-	-	-	248	-	270
Radon	591	630	981	-	-	-	-	-	1,611
Food Mgr Cert Training	592	3,077	4,813	-	-	-	796	-	8,686
Total Environmental		<u>89,987</u>	<u>140,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,939</u>	<u>-</u>	<u>261,535</u>
Preventative & Presenting Problems	700	150,644	-	787,994	54,711	-	125,265	(1,726,261)	(607,647)
Oral Health	712	16,361	-	-	5,943	-	998	25,025	48,327
Laboratory/Testing/Radiology	718	19,417	-	101,550	7,052	-	14,947	(237,535)	(94,569)
Osteoporosis Prevention & Education	723	2,321	-	-	843	-	49	-	3,213
QI Project	724	1,092	-	-	397	-	49	-	1,538
ESAR-VHP	729	42	-	-	15	-	-	-	57
Breast Cancer R & E Trust Fund	730	9,787	-	-	3,554	-	99	-	13,440
H1N1	731	-	-	-	2	-	-	-	2
CHAT	736	1,901	-	-	688	-	49	-	2,638
Accreditation	750	4,138	-	-	1,504	-	247	-	5,889
Regional Epi HPP Activities	757	3,035	-	-	1,102	-	247	-	4,384
MCH Coordinator	766	6,206	-	-	2,256	-	247	-	8,709
PHEP Special Projects	771	2,867	-	-	1,042	-	-	-	3,909
Pediatric/Adolescent Visits	800	-	-	-	-	-	247	495,015	495,262
Family Planning/Sterilizations	802	5,072	-	-	1,841	-	499	348,542	355,954
Maternity Visits & Activities	803	-	-	-	-	-	247	32,595	32,842
WIC	804	5,744	-	-	2,087	-	1,496	582,370	591,697
MCH Nutrition & Activity	805	2,814	-	-	1,021	-	247	-	4,082
Tuberculosis Visits & Activity	806	4,936	-	-	1,793	-	247	92,524	99,500
Sexually Transmitted Disease	807	315	-	-	115	-	247	142,506	143,183
Diabetes Services	809	13,557	-	-	4,925	-	998	-	19,480
Adult Services	810	-	-	-	-	-	-	117,442	117,442
Lead Services	811	-	-	-	-	-	248	-	248
Breast and Cervical Cancer	813	8,527	-	-	3,097	-	1,992	127,777	141,393
Healthy Community	817	462	-	-	166	-	-	-	628
Community Based Programs	818	15,490	-	-	5,624	-	24,913	-	46,027
Preparedness Coordination	821	15,112	-	-	5,490	-	998	-	21,600
Epidemiology/Surveillance	822	31,399	-	-	11,404	-	998	-	43,801
Medical Reserve Corp	823	3,266	-	-	1,187	-	247	-	4,700
Regional Training Center	827	1,449	-	-	528	-	499	-	2,476
MRC Building Funding Award	831	998	-	-	362	-	248	-	1,608
Tobacco Grant	836	10,754	-	-	3,906	-	1,992	-	16,652
Federal Diabetes Today	841	599	-	-	218	-	247	-	1,064
HIV Prevention	842	567	-	-	206	-	248	-	1,021
H.A.N.D.S	853	153,217	-	-	55,648	-	19,932	-	228,797
Physical Activity	857	189	-	-	69	-	499	-	757
Supplemental School Health	858	651	-	-	237	-	-	-	888
Home Health	861	325,168	-	-	-	1,027,521	87,697	-	1,440,386
EPSDT Home Health	865	8,044	-	-	-	25,422	19,932	-	53,398
Home & Community Based Waiver	868	87,330	-	-	-	275,943	14,947	-	378,220
Performance Management	870	-	-	-	-	-	-	-	-
State Diabetes Personnel	871	21,707	-	-	-	-	-	-	21,707
Highway Safety Project	872	16,582	-	-	-	-	499	-	17,081
EPSDT Verbal Notification	883	6,784	-	-	2,465	-	-	-	9,249
Core Pub Hlth-Vital Statistics	890	1,617	-	-	583	-	275	-	2,475
Medicaid Match	891	-	-	-	-	-	-	-	-
Total Medical		<u>960,161</u>	<u>-</u>	<u>889,544</u>	<u>182,081</u>	<u>1,328,886</u>	<u>322,836</u>	<u>-</u>	<u>3,683,508</u>
Minor Restricted		-	-	-	-	-	-	-	-
Capital		-	-	-	-	-	-	-	-
Allocable Direct		-	-	-	-	-	-	-	-
Total Administrative		-	-	-	-	-	-	-	-
Indirect Allocation		<u>(1,050,148)</u>	<u>(140,609)</u>	<u>(889,544)</u>	<u>(182,081)</u>	<u>(1,328,886)</u>	<u>(353,775)</u>	<u>-</u>	<u>(3,945,043)</u>
TOTAL		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MADISON COUNTY HEALTH DEPARTMENT  
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***

To the Board of Health  
Madison County Health Department  
Richmond, 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 Madison County Health Department (the Health Department) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Health Department's basic financial statements, and have issued our report thereon dated October 23, 2014.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Health Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Health Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Health Department'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 Health Department'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***.

**MADISON COUNTY HEALTH DEPARTMENT  
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*  
(CONTINUED)**

**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.

*Ray, Foley, Hensley and Company*

Ray, Foley, Hensley and Company, PLLC

October 23, 2014





Ray, Foley, Hensley & Company, PLLC

Certified Public Accountants and Consultants

**MADISON COUNTY HEALTH DEPARTMENT  
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Health  
Madison County Health Department  
Richmond, Kentucky

**Report on Compliance for Each Major Federal Program**

We have audited the Madison County Health Department's (the Health Department) compliance with the types of compliance requirements described in the **OMB Circular A-133 Compliance Supplement** that could have a direct and material effect on each of the Health Department's major federal programs for the year ended June 30, 2014. The Health Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the Health Department's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in **Government Auditing Standards**, issued by the Comptroller General of the United States; and OMB Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Health Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Health Department's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the Madison County Health Department, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

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**MADISON COUNTY HEALTH DEPARTMENT  
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133  
(CONTINUED)**

**Report on Internal Control over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Ray, Foley, Hensley & Company*

Ray, Foley, Hensley & Company, PLLC  
October 23, 2014

**MADISON COUNTY HEALTH DEPARTMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
for the year ended June 30, 2014**

GRANTOR/PROGRAM TITLE	Federal CFDA Number	Pass/Through Contract Number	Grant Contract Period	Expenditures
U.S. Department of Agriculture				
Passed through State (CHFS)				
WIC Program - Administrative Services	10.557	01160013	7/1/2013-6/30/2014	\$ 177,276
WIC Program - Administrative Services	10.557	01160014	7/1/2013-6/30/2014	<u>310,768</u>
<b>Total U.S. Department of Agriculture</b>				<b><u>\$ 488,044</u></b>
U.S. Department of Transportation				
Passed through State (KYTC)				
State Highway Safety	20.600	PO2 625 1300001607 2	10/1/2012-9/30/2013	\$ 19,459
State Highway Safety	20.600	PO2 625 1400002045 2	10/1/2013-9/30/2014	<u>41,629</u>
<b>Total U.S. Transportation Cabinet</b>				<b><u>\$ 61,088</u></b>
U.S. Department of Health and Human Services (HHS)				
Passed through State (CHFS)				
HPP & PHEP	93.074	02140012	7/1/2013-6/30/2014	\$ 60,284
HPP & PHEP	93.074	02140013	7/1/2013-6/30/2014	142,476
HPP & PHEP	93.074	02150012	7/1/2013-6/30/2014	10,958
HPP & PHEP	93.074	02150013	7/1/2013-6/30/2014	<u>16,294</u>
				<u>230,012</u>
Registration of Vol. Health Professionals	93.089	02200011	7/1/2013-6/30/2014	<u>2,406</u>
Respiratory Disease	93.116	01060014	7/1/2013-6/30/2014	<u>50</u>
Title X Family Planning	93.217	01150013	7/1/2013-6/30/2014	7,460
Title X Family Planning	93.217	01150014	7/1/2013-6/30/2014	<u>92,593</u>
				<u>100,053</u>
Immunization Grant	93.268	01050012	7/1/2013-6/30/2014	8,790
Immunization Grant	93.268	01050013	7/1/2013-6/30/2014	<u>4,395</u>
				<u>13,185</u>
Disease Control and Prevention	93.283	01110012	7/1/2013-6/30/2014	16,662
Disease Control and Prevention	93.283	01110013	7/1/2013-6/30/2014	24,567
Disease Control and Prevention	93.283	02400013	7/1/2013-6/30/2014	<u>775</u>
				<u>42,004</u>
Public Health	93.507	02990014	7/1/2013-6/30/2014	8,415
Public Health	93.507	029900CL13	7/1/2013-6/30/2014	<u>8,576</u>
				<u>16,991</u>
<b>Subtotal HHS</b>				<b><u>\$ 404,701</u></b>

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Madison County Health Department and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of **OMB Circular A-133**, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in, or used in the preparation of, the basic financial statements may differ from these numbers.

**MADISON COUNTY HEALTH DEPARTMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
for the year ended June 30, 2014**

GRANTOR/PROGRAM TITLE	Federal CFDA Number	Pass/Through Contract Number	Grant Contract Period	Expenditures
U.S. Department of Health and Human Services (HHS) (previous page)				\$ 404,701
U.S. Department of Health and Human Services (HHS) Passed through State (CHFS)				
KY Women's Cancer Screening	93.744	01130013	7/1/2013-6/30/2014	<u>7,195</u>
Medical Assistance Program	93.778	03095012	7/1/2013-6/30/2014	6,504
Medical Assistance Program	93.778	03095013	7/1/2013-6/30/2014	<u>32,172</u>
				<u>38,676</u>
Diabetes Prevention and Control	93.945	02420014	7/1/2013-6/30/2014	<u>1,225</u>
Preventive Services Block Grant	93.991	01040012	7/1/2013-6/30/2014	13
Preventive Services Block Grant	93.991	01040013	7/1/2013-6/30/2014	<u>5,000</u>
				<u>5,013</u>
MCH Services Block Grant	93.994	01120012	7/1/2013-6/30/2014	37,741
MCH Services Block Grant	93.994	01120013	7/1/2013-6/30/2014	<u>6,329</u>
				<u>44,070</u>
<b>Total U.S. Department of Health and Human Services</b>				<u><b>500,880</b></u>
<b>Grand total federal awards expended</b>				<u><b>\$ 1,050,012</b></u>
Less: Medical assistance program reported in Service Fees in the financial statements				(38,676)
Federal awards reported in the financial statements as direct or pass-through				<u><b>\$ 1,011,336</b></u>

**MADISON COUNTY HEALTH DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
for the year ended June 30, 2014**

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**I. SUMMARY OF AUDITORS' RESULTS**

Financial Statements:

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified  Yes  No

Significant deficiencies identified that are not  
considered to be material weaknesses  Yes  None reported

Non-compliance material to financial statements noted  Yes  No

Federal Awards:

Internal control over major programs:

Material weaknesses identified  Yes  No

Significant deficiencies identified that are not  
considered to be material weaknesses  Yes  None reported

Type of auditor's report issued on compliance for major programs:

Unmodified for all major programs.

Any audit findings disclosed that are required to be reported in  
accordance with Section 510(a) of Circular A-133?  Yes  No

Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
10.557	USDA – WIC Administration

Dollar threshold used to distinguish between type A  
and type B programs: \$ 300,000

Auditee qualified as a low-risk auditee?  Yes  No

**II. FINDINGS RELATED TO FINANCIAL STATEMENTS**

NONE

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

NONE

**IV. PRIOR AUDIT FINDINGS**

NONE

**MADISON COUNTY HEALTH DEPARTMENT  
SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2014**

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There are no prior audit findings to report.

**MADISON COUNTY HEALTH DEPARTMENT  
AUDIT ADJUSTMENTS  
June 30, 2014**

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There are no proposed audit adjustments.