

**CUMBERLAND VALLEY  
DISTRICT HEALTH DEPARTMENT  
Manchester, Kentucky**

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**FINANCIAL STATEMENTS  
June 30, 2018**

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## INDEPENDENT AUDITORS' REPORT

The Board of Health  
Cumberland Valley District Health Department  
Manchester, Kentucky

### Report on the Financial Statements

We have audited the accompanying financial statements of the Cumberland Valley District Health Department (the Health Department) as of and for the year ended June 30, 2018, 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 as described in Note 1 to the financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

### Opinion

#### 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.

### **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, 2018, and the respective changes in financial position for the year then ended.

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

In our opinion, the financial statements referred to above, present fairly, in all material respects, the assets, liabilities and fund balances arising from cash transactions of the Cumberland Valley District Health Department, as of June 30, 2018, 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 an opinion on the financial statements that collectively comprise the Health Department’s basic financial statements. The supplementary schedules of revenues and direct and indirect costs 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplementary schedules of revenues and direct and indirect costs 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 direct and indirect costs 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, 2018, 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 solely 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 the effectiveness of the Health Department’s 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.

**RFH**

RFH, PLLC  
Lexington, Kentucky  
October 23, 2018

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT  
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE  
REGULATORY BASIS  
June 30, 2018**

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**ASSETS**

Current assets

Cash

Checking

\$ 573,021

Petty cash

1,350

Total assets

\$ 574,371

**LIABILITIES AND FUND BALANCE**

Current liabilities

Payroll withholdings and other payables

\$ 79,122

Fund balance

Unrestricted

\$ (110,298)

Restricted - State

15,992

Restricted - Federal

53,690

Restricted - Fees

535,865

Total fund balance

495,249

Total liabilities and fund balance

\$ 574,371

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

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**REGULATORY BASIS - BUDGET TO ACTUAL**  
**for the year ended June 30, 2018**

	<b>Budget</b>	<b>Actual</b>	<b>Over (under) Budget</b>
<b>REVENUES</b>			
State	\$ 1,371,981	\$ 1,099,215	\$ (272,766)
Federal, direct and pass-through	1,015,510	1,151,155	135,645
Local	1,013,490	976,718	(36,772)
Service fees and other	5,411,185	5,122,023	(289,162)
Interest	-	185	185
Prior year funds used	-	320,651	320,651
Total revenues	<u>8,812,166</u>	<u>8,669,947</u>	<u>(142,219)</u>
<b>EXPENDITURES</b>			
Salaries and leave	3,428,620	3,320,894	(107,726)
Part-time wages	196,340	241,099	44,759
Fringe benefits	2,873,067	2,699,725	(173,342)
Contracts	725,350	561,215	(164,135)
Travel	53,958	55,035	1,077
Space occupancy	175,497	164,581	(10,916)
Office and administrative expense	286,369	335,974	49,605
Medical supplies	327,200	395,965	68,765
Other operating expenses	475,500	469,105	(6,395)
Capital items	-	(11,410)	(11,410)
Total expenditures	<u>8,541,901</u>	<u>8,232,183</u>	<u>(309,718)</u>
<b>EXCESS OF REVENUES OVER (EXPENDITURES)</b>	270,265	437,764	167,499
Adjustments to fund balance			
Adjustment to FEBCO account	-	1,848	1,848
Prior year funds used	-	(320,651)	(320,651)
Net change in fund balance	270,265	118,961	(151,304)
FUND BALANCE - beginning of year	<u>376,288</u>	<u>376,288</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 646,553</u>	<u>\$ 495,249</u>	<u>\$ (151,304)</u>

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

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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**1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Cumberland Valley District Health Department (the Health Department) operates as a district health department under Kentucky Revised Statute (KRS) Chapter 212, governed by the Cumberland Valley District Board of Health. The purpose of the Health Department is to improve the delivery of health services to the people of the counties in the district. The district consists of Clay, Jackson, and Rockcastle County. The District Board of Health consists of representatives from each of the three counties as set forth in KRS 212.855.

The Health Department records revenues and expenditures 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 accounts payable for expenses incurred, but unpaid, are not recorded. Inventories are not recorded, but are expensed to the current period. Property, plant and equipment are not capitalized and the related depreciation expense is not reported; prepaid expenses and unearned revenues are also 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, 2018, no formal reports have been issued as a result of audits performed or in progress for the year ended June 30, 2018.

Source of Funds:

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

State - includes restricted and unrestricted state grant funds

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

Local - includes funds from taxing districts, county and city 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

Interest – includes interest received from bank accounts and investments

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

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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

The Health Department is directed by the State when to use restricted or unrestricted resources, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances 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 2 CFR Part 200.

Functional classifications are included in the supplementary schedules for the Health Department.

The Health Department has evaluated and considered the need to recognize or disclose subsequent events through October 23, 2018, which represents the date that these financial statements were available to be issued. Subsequent events past this date, as they pertain to the year ended June 30, 2018, have not been evaluated by the 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. The Health Department 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 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, 2018, 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	\$ 621,505
FDIC insurance	(250,000)
Collateral held by pledging bank	<u>(1,937,468)</u>
(Over) collateralized	<u>\$ (1,565,963)</u>

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**3. FUND BALANCE**

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

	State	Federal	Fees	Totals
595 - West Nile Virus	\$ -	\$ -	\$ 1,620	\$ 1,620
712 - Dental	2,053	-	1,839	3,892
725 - KWSCP Pink Co. Outreach	-	19,185	-	19,185
727 - UK HPV	-	743	-	743
732 - Diabetes Prevention	-	-	3,382	3,382
735 - Oral Health Coalition	86	-	-	86
747 - KHREF	-	-	10,700	10,700
749 - Healthcare Planning	-	55	-	55
758 - Humana Vitality	-	-	26,901	26,901
762 - Smiling Schools Prev. Srv.	2,907	-	-	2,907
767 - Competitive Home Visiting	-	6,875	-	6,875
771 - PHEP Special Projects	-	673	-	673
774 - Child Fatality Prevention	-	6	-	6
805 - MCH Nutrition	-	-	549	549
817 - Healthy Community	-	34	-	34
823 - Health Alert – Area E	-	663	-	663
826 - UK Cervical Free Cancer	-	-	418	418
828 - HOPWA	-	1,523	-	1,523
834 - Rockcastle ASAP	-	-	34,626	34,626
838 - J-Chip	-	-	7,416	7,416
839 - Immunization	-	2,438	-	2,438
842 - HIV Counseling & Testing	3,149	-	-	3,149
845 - Ryan White Services	-	21,495	-	21,495
853 - HANDS Project	6,884	-	-	6,884
861 - Home Health	-	-	315,646	315,646
865 - EPSDT Special Services	-	-	127,111	127,111
870 - Global Micro-clinic Project	-	-	1,696	1,696
871 - School Nurse	-	-	670	670
877 - NACDD Achieve Grant	-	-	415	415
878 - HANDS Training	913	-	-	913
893 - Exp. for Other HDs	-	-	2,876	2,876
Total	<u>\$ 15,992</u>	<u>\$ 53,690</u>	<u>\$ 535,865</u>	<u>\$ 605,547</u>

**4. LEASES**

The Health Department leases its district administrative office spaces in Manchester, Kentucky from Wood Center Properties, LLC. The lease is for one year from July 1, 2017 to June 30, 2018, and renews annually. The Health Department's occupancy lease expense was \$18,000 for the year ended June 30, 2018. The Health Department also leases 37 automobiles. Automobile lease expense was \$146,731 for the year ended June 30, 2018. The future minimum required annual automobile lease payments are as follows:

Year ending June 30,	
2019	\$ 151,484
2020	93,870
2021	42,807
2022	19,883
2023	<u>4,754</u>
Total	<u>\$ 312,798</u>

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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**5. 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 regulatory basis of accounting. Employees of the Health Department accrue various amounts of vacation based on years of service and can rollover a maximum of 450 hours of vacation time. The Health Department records show a potential liability totaling \$357,615 at June 30, 2018.

**6. KENTUCKY EMPLOYEE'S RETIREMENT SYSTEMS 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 publicly available financial statements which may be downloaded from the Kentucky Retirement Systems website.

*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 plan members with benefits through a pension trust and insurance trust. The pension trust provides retirement, disability, and death benefits. The insurance trust provides health insurance or other postemployment benefits (OPEB). 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, 2018, 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, 2018, participating employers contributed 49.47% (41.06% to the pension fund and 8.41% to the insurance fund) 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.

Plan members who began participating on, or after, January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Plan members contribute 5.00% of wages to their own account and 1% to the health insurance fund. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of each member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. For non-hazardous members, their account is credited with a 4% employer pay credit. The employer pay credit represents a portion of the employer contribution.

The Health Department contributed \$1,744,428 during the year ended June 30, 2018, or 100% of the required contribution. The contribution was allocated \$1,447,872 to the KERS pension fund and \$296,556 to the KERS insurance fund.

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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**6. KENTUCKY EMPLOYEE'S RETIREMENT SYSTEMS PLAN (CONTINUED)**

*Pension Liabilities* – At June 30, 2018, the Health Department estimates that its total unfunded liability would be approximately \$29,080,000 based upon its proportionate share of the total net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Health Department's proportion of the net pension liability was based on a projection of the Health Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2017, the Health Department's proportion was .2172 percent, which was a decrease of .0109 percent from its proportion measured as of June 30, 2016.

*OPEB Liabilities* – At June 30, 2018, the Health Department estimates that its total unfunded liability would be approximately \$5,508,000 based upon its proportionate share of the total OPEB liability. The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Health Department's proportion of the net OPEB liability was based on a projection of the Health Department's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. The Health Department's proportionate share at June 30, 2017 was .2172 percent.

**7. 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.

**8. COMPLIANCE**

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

**9. RELATED PARTIES**

The Health Department is related by common Board members to three county public health taxing districts. The three county Boards of Health set their county's public health tax rate annually. A total of \$976,217 in public health taxes were transferred from the taxing districts to the Health Department for the year ended June 30, 2018. The county public health tax transfers were as follows:

Rockcastle County Public Health Taxing District	\$ 366,280
Jackson County Public Health Taxing District	259,609
Clay County Public Health Taxing District	<u>350,328</u>
Total local contributions	<u>\$ 976,217</u>

**10. UNRESTRICTED FUND BALANCE DEFICIT**

At June 30, 2018, the Health Department's unrestricted fund balance had a \$110,298 deficit.

## **SUPPLEMENTARY INFORMATION**

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT**  
**SUPPLEMENTARY SCHEDULE OF REVENUES BY REPORTING AREA**  
**for the year ended June 30, 2018**

		REVENUES					Total Costs	Department Carryover	Program Excess (Deficit)
		State	Federal	Local	Service Fees	Interest			
Food	500	\$ 69,201	\$ -	\$ -	\$ 8,235	\$ -	\$ 77,436	\$ 77,436	\$ -
Public Facilities	520	1,225	-	27,444	335	2	29,006	29,006	-
General Sanitation	540	-	-	70,102	-	-	70,102	70,102	-
Onsite Sewage	560	-	-	29,624	63,930	-	93,554	93,554	-
Storm 2009 - State Response	598	-	-	-	-	-	-	-	-
Total environmental		70,426	-	127,170	72,500	2	270,098	270,098	-
Preventative/Presenting Problems	700	-	-	-	-	-	-	-	-
Dental Services	712	2,053	-	-	4,173	-	6,226	2,334	3,892
Laboratory/Testing/Radiology	718	-	-	-	-	-	-	-	-
Asthma Education	722	-	-	1,144	-	-	1,144	1,144	-
KWSCP Pink County Outreach	725	-	350	-	-	-	350	241	109
UK HPV	727	-	4,609	40,107	7,000	-	51,716	51,716	-
Diabetes Prevention Program	732	-	-	-	1,716	-	1,716	2,516	800
CHAT	736	-	10,000	6,378	100	-	16,478	17,970	1,492
Accreditation	750	-	-	1,958	-	-	1,958	1,958	-
Special Project	752	71,640	-	45,194	-	-	116,834	116,834	-
Humana Vitality	758	-	-	-	37,235	-	37,235	33,617	3,618
HANDS Federal Home Visiting	760	-	251,890	41,946	-	-	293,836	293,836	-
MCH Coordinator	766	-	46,469	42,589	-	-	89,058	89,058	-
Child Fatality Prevention	774	-	1,023	-	-	-	1,023	1,017	6
Pediatric/Adolescent	800	-	750	127,686	85,060	183	213,679	213,679	-
Childhood Immunization Services	801	-	-	357	-	-	357	357	-
Family Planning	802	250	33,418	85,421	43,814	-	162,903	162,903	-
Maternity Services & Activity	803	-	-	895	47	-	942	942	-
WIC	804	-	337,544	201,497	-	-	539,041	539,041	-
MCH Nutrition & Group Activity	805	-	17,803	-	8,187	-	25,990	30,082	4,092
Tuberculosis Visits & Activity	806	-	50	42,280	11,018	-	53,348	53,348	-
Sexually Transmitted Disease	807	-	-	6,165	1,980	-	8,145	8,145	-
Diabetes	809	26,342	-	778	1,066	-	28,186	29,421	1,235
Adult Visits & Follow-up	810	-	-	60,164	18,402	-	78,566	78,566	-
Lead Poisoning Prevention	811	-	-	631	-	-	631	631	-
Breast & Cervical Cancer	813	-	6,393	36,191	7,769	-	50,353	50,353	-
Healthy Communities	817	-	578	-	-	-	578	564	14
Community Based Services	818	-	-	6,056	275	-	6,331	6,331	-
Preparedness Planner	821	-	6,293	10,645	-	-	16,938	22,647	5,709
Health Alert-Area E	823	-	1,391	-	-	-	1,391	1,375	16
HRSA Network Planning	827	-	-	480	-	-	480	480	-
Breastfeeding Promotion	833	-	61,831	23,145	-	-	84,976	84,976	-
Rockcastle ASAP	834	-	-	-	18,150	-	18,150	16,108	2,042
Tobacco Cessation	836	5,367	-	22,381	2,500	-	30,248	31,383	1,135
J-Chip	838	-	-	-	400	-	400	-	400
Immunization	839	-	98,495	-	-	-	98,495	96,057	2,438
Breastfeeding Peer Counselor	840	-	11,471	3,507	-	-	14,978	14,978	-
HANDS Project	853	65,230	-	500	428,011	-	493,741	486,857	6,884
WIC Monitor	854	-	71,402	4,799	-	-	76,201	76,201	-
Osteoporosis	856	-	1,789	1,131	-	-	2,920	2,920	-
Physical Activities	857	-	-	5,254	3,005	-	8,259	8,259	-
NACDD Achieve Grant	877	-	-	-	-	-	289	289	-
EPSDT Verbal Notification	883	-	-	211	-	-	211	211	-
Medicaid Match	891	-	-	23,654	-	-	23,654	23,654	-
Expenditures for Other HD's	893	-	-	-	-	-	3,917	3,917	-
Total medical		170,882	963,549	843,144	679,908	183	2,657,666	2,656,916	19,419
Home Health	861	-	-	-	2,857,474	-	2,857,474	2,673,344	184,130
Model II Waiver	862	-	-	-	42,283	-	42,283	53,938	11,655
Non-traditional In-Home Service	864	-	-	-	-	-	-	4,635	4,635
EPSDT Special Services	865	-	-	-	-	-	-	-	-
Homecare	867	-	-	-	-	-	112	112	-
Home & Community Based Waiver	868	-	-	-	1,463,501	-	1,463,501	1,749,081	285,580
Total home health		-	-	-	4,363,258	-	4,363,258	4,481,110	184,130
Capital		-	-	-	-	-	(11,410) *	-	11,410
Minor restricted		-	-	-	-	-	-	-	-
Allocable direct		857,907	187,606	6,404	6,357	-	1,058,274	835,469	222,805
Total administrative		857,907	187,606	6,404	6,357	-	1,058,274	824,059	234,215
Total revenues		\$ 1,099,215	\$ 1,151,155	\$ 976,718	\$ 5,122,023	\$ 185	\$ 8,349,296	\$ 8,232,183	\$ 320,651
									\$ 437,764

\* amount represents prior year expenses for local Health Departments that have been reimbursed in the current period

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT**  
**SUPPLEMENTARY SCHEDULE OF DIRECT COSTS BY REPORTING AREA**  
**for the year ended June 30, 2018**

		DIRECT COSTS									Total
		Salaries	Part-Time	Fringes	Contracts	Travel	Occupancy	Administration	Supplies	Other	Direct Costs
Food	500	\$ 35,410	\$ -	\$ 19,311	\$ -	\$ 272	\$ -	\$ -	\$ -	\$ -	\$ 54,993
Public Facilities	520	13,001	-	7,088	-	53	-	-	-	-	20,142
General Sanitation	540	32,050	-	17,479	-	289	-	-	-	-	49,818
Onsite Sewage	560	42,406	-	23,129	-	1,337	-	-	-	-	66,872
Storm 2009 - State Response	598	-	-	-	-	-	-	-	-	-	-
Total environmental		122,867	-	67,007	-	1,951	-	-	-	-	191,825
Preventative/Presenting Problems	700	302,705	22,620	144,926	-	2,517	-	-	7,449	-	480,217
Dental Services	712	316	-	145	-	58	-	-	-	-	519
Laboratory/Testing/Radiology	718	16,188	-	7,603	1,014	-	-	-	14,915	212	39,932
Asthma Education	722	564	-	332	-	-	-	-	-	-	896
KWSCP Pink County Outreach	725	-	-	-	-	-	-	-	-	241	241
UK HPV	727	18,581	70	11,025	-	1,034	-	209	11,270	1,247	43,436
Diabetes Prevention Program	732	1,187	-	698	-	-	-	-	-	100	1,985
CHAT	736	431	8,325	1,240	-	283	-	63	-	3,081	13,423
Accreditation	750	-	420	49	-	157	-	-	-	1,000	1,626
Special Project	752	51,244	-	30,385	-	-	-	-	-	9,980	91,609
Humana Vitality	758	12,389	-	7,345	-	112	-	-	3,235	4,104	27,185
HANDS Federal Home Visiting	760	128,630	4,775	76,841	-	-	-	-	-	24,093	234,339
MCH Coordinator	766	43,636	-	25,884	-	4	-	-	-	13	69,537
Child Fatality Prevention	774	457	-	276	-	-	-	-	-	-	733
Pediatric/Adolescent	800	333	-	202	-	-	-	-	-	-	535
Childhood Immunization Services	801	171	-	109	-	-	-	-	-	-	280
Family Planning	802	-	-	-	286	-	-	-	8,836	327	9,449
Maternity Services & Activity	803	-	-	-	-	-	-	-	174	-	174
WIC	804	14,873	-	8,812	-	381	-	-	1,785	-	25,851
MCH Nutrition & Group Activity	805	2,017	-	1,194	-	-	-	-	-	-	3,211
Tuberculosis Visits & Activity	806	79	-	52	1,000	-	-	-	2,235	-	3,366
Sexually Transmitted Disease	807	-	-	-	-	-	-	-	-	-	-
Diabetes	809	13,249	-	7,857	-	667	-	-	-	801	22,574
Adult Visits & Follow-up	810	8,502	-	5,046	369	-	-	-	3,707	-	17,624
Lead Poisoning Prevention	811	270	-	164	-	-	-	-	-	-	434
Breast & Cervical Cancer	813	4,417	-	2,623	2,490	24	-	-	-	-	9,554
Healthy Communities	817	167	-	94	-	-	-	-	-	226	487
Community Based Services	818	373	3,000	574	-	25	-	20	-	658	4,650
Preparedness Planner	821	10,520	-	6,240	-	355	-	596	-	35	17,746
Health Alert-Area E	823	474	-	276	-	-	-	-	-	300	1,050
HRSA Network Planning	827	-	-	-	-	-	-	-	-	480	480
Breastfeeding Promotion	833	39,537	-	23,443	-	2,474	-	-	-	1,200	66,654
Rockcastle ASAP	834	-	-	-	-	-	-	-	-	16,108	16,108
Tobacco Cessation	836	11,893	4,150	7,540	-	-	-	-	-	-	23,583
J-Chip	838	-	-	-	-	-	-	-	-	-	-
Immunization	839	44,521	-	26,398	-	2,484	-	-	-	180	73,583
Breastfeeding Peer Counselor	840	2,800	3,941	2,119	-	553	-	-	-	645	10,058
HANDS Project	853	229,683	1,750	136,421	-	889	-	15	-	5,966	374,724
WIC Monitor	854	33,805	-	20,046	-	5,943	-	-	-	240	60,034
Osteoporosis	856	1,397	-	825	-	-	-	-	-	-	2,222
Physical Activities	857	-	4,850	573	-	-	-	-	-	385	5,808
NACDD Achieve Grant	877	-	-	-	-	289	-	-	-	-	289
EPSDT Verbal Notification	883	106	-	56	-	-	-	-	-	-	162
Medicaid Match	891	-	-	-	-	-	-	-	-	23,654	23,654
Expenditures for Other HD's	893	1,808	-	1,067	-	244	-	-	-	-	3,119
Total medical		997,323	53,901	558,480	5,159	18,493	-	903	53,606	95,276	1,783,141
Home Health	861	645,368	3,387	315,885	540,359	15,445	-	114,957	337,561	11,135	1,984,097
Model II Waiver	862	179	17,926	2,206	9,480	-	-	-	-	-	29,791
Non-traditional In-Home Service	864	1,844	-	937	-	-	-	-	-	-	2,781
EPSDT Special Services	865	-	-	-	-	-	-	-	-	-	-
Homecare	867	-	-	-	-	112	-	-	-	-	112
Home & Community Based Waiver	868	633,028	10,132	323,490	6,217	13,234	-	-	-	57,144	1,043,245
Total home health		1,280,419	31,445	642,518	556,056	28,791	-	114,957	337,561	68,279	3,060,026
Capital		-	-	-	-	-	-	-	-	(11,410) *	(11,410)
Minor restricted		-	-	-	-	-	-	-	-	-	-
Allocable direct		-	-	835,469	-	-	-	-	-	-	835,469
Total administrative		-	-	835,469	-	-	-	-	-	-	824,059
Indirect cost allocation - departmental		156,113	31,725	108,990	-	2,169	-	208,302	-	132,752	640,051
Indirect cost allocation - home health		402,435	112,239	284,647	-	815	28,680	9,613	-	147,068	985,497
Indirect cost allocation - environmental		10,170	-	6,849	-	1,057	-	55	-	16,917	35,048
Indirect cost allocation - clinic		218,895	8,005	105,860	-	243	-	32	363	650	334,048
Indirect cost allocation - medical		79,833	3,784	54,272	-	1,516	-	2,112	4,435	8,163	154,115
Indirect cost allocation - space		52,839	-	35,633	-	-	135,901	-	-	-	224,373
Indirect cost allocation		920,285	155,753	596,251	-	5,800	164,581	220,114	4,798	305,550	2,373,132
Total expenditures		\$ 3,320,894	\$ 241,099	\$ 2,699,725	\$ 561,215	\$ 55,035	\$ 164,581	\$ 335,974	\$ 395,965	\$ 469,105	\$ 8,232,183

\* amount represents prior year expenses for local Health Departments that have been reimbursed in the current period

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT**  
**SUPPLEMENTARY SCHEDULE OF INDIRECT COSTS BY REPORTING AREA**  
**for the year ended June 30, 2018**

		INDIRECT COSTS							Total
		Departmental	Home Health	Environmental	Clinic	Medical	Space	Allocation	Indirect Costs
Food	500	\$ 9,396	\$ -	\$ 10,101	\$ -	\$ -	\$ 2,946	\$ -	\$ 22,443
Public Facilities	520	3,450	-	3,709	-	-	1,705	-	8,864
General Sanitation	540	8,506	-	9,142	-	-	2,636	-	20,284
Onsite Sewage	560	11,252	-	12,096	-	-	3,334	-	26,682
Storm 2009 - State Response	598	-	-	-	-	-	-	-	-
Total environmental		<u>32,604</u>	<u>-</u>	<u>35,048</u>	<u>-</u>	<u>-</u>	<u>10,621</u>	<u>-</u>	<u>78,273</u>
Preventative/Presenting Problems	700	76,633	-	-	318,655	41,247	62,777	(979,529)	(480,217)
Dental Services	712	70	-	-	-	39	38	1,668	1,815
Laboratory/Testing/Radiology	718	3,699	-	-	15,393	1,993	5,039	(66,056)	(39,932)
Asthma Education	722	160	-	-	-	88	-	-	248
KWSCP Pink County Outreach	725	-	-	-	-	-	-	-	-
UK HPV	727	5,383	-	-	-	2,897	-	-	8,280
Diabetes Prevention Program	732	346	-	-	-	185	-	-	531
CHAT	736	2,855	-	-	-	1,537	155	-	4,547
Accreditation	750	141	-	-	-	74	117	-	332
Special Project	752	14,785	-	-	-	7,958	2,482	-	25,225
Humana Vitality	758	3,578	-	-	-	1,923	931	-	6,432
HANDS Federal Home Visiting	760	38,678	-	-	-	20,819	-	-	59,497
MCH Coordinator	766	12,590	-	-	-	6,776	155	-	19,521
Child Fatality Prevention	774	134	-	-	-	71	79	-	284
Pediatric/Adolescent	800	96	-	-	-	52	-	212,996	213,144
Childhood Immunization Services	801	51	-	-	-	26	-	-	77
Family Planning	802	-	-	-	-	-	388	153,066	153,454
Maternity Services & Activity	803	-	-	-	-	-	-	768	768
WIC	804	4,288	-	-	-	2,310	8,336	498,256	513,190
MCH Nutrition & Group Activity	805	582	-	-	-	313	776	25,200	26,871
Tuberculosis Visits & Activity	806	26	-	-	-	12	117	49,827	49,982
Sexually Transmitted Disease	807	-	-	-	-	-	-	8,145	8,145
Diabetes	809	3,821	-	-	-	2,057	969	-	6,847
Adult Visits & Follow-up	810	2,451	-	-	-	1,321	233	56,937	60,942
Lead Poisoning Prevention	811	77	-	-	-	42	78	-	197
Breast & Cervical Cancer	813	1,274	-	-	-	686	117	38,722	40,799
Healthy Communities	817	51	-	-	-	26	-	-	77
Community Based Services	818	1,094	-	-	-	587	-	-	1,681
Preparedness Planner	821	3,034	-	-	-	1,634	233	-	4,901
Health Alert-Area E	823	134	-	-	-	74	117	-	325
HRSA Network Planning	827	-	-	-	-	-	-	-	-
Breastfeeding Promotion	833	11,406	-	-	-	6,140	776	-	18,322
Rockcastle ASAP	834	-	-	-	-	-	-	-	-
Tobacco Cessation	836	4,794	-	-	-	2,580	426	-	7,800
J-Chip	838	-	-	-	-	-	-	-	-
Immunization	839	12,846	-	-	-	6,915	2,713	-	22,474
Breastfeeding Peer Counselor	840	2,099	-	-	-	1,131	1,690	-	4,920
HIV Counseling & Testing	842	-	-	-	-	-	-	-	-
HANDS Project	853	66,847	-	-	-	35,981	9,305	-	112,133
WIC Monitor	854	9,754	-	-	-	5,251	1,162	-	16,167
Osteoporosis	856	403	-	-	-	217	78	-	698
Physical Activities	857	1,594	-	-	-	857	-	-	2,451
NACDD Achieve Grant	877	-	-	-	-	-	-	-	-
EPSDT Verbal Notification	883	32	-	-	-	17	-	-	49
Medicaid Match	891	-	-	-	-	-	-	-	-
Expenditures for Other HD's	893	519	-	-	-	279	-	-	798
Total medical		<u>286,325</u>	<u>-</u>	<u>-</u>	<u>334,048</u>	<u>154,115</u>	<u>99,287</u>	<u>-</u>	<u>873,775</u>
Home Health	861	154,606	474,478	-	-	-	60,163	-	689,247
Model II Waiver	862	5,927	18,182	-	-	-	38	-	24,147
Non-traditional In-Home Service	864	455	1,399	-	-	-	-	-	1,854
EPSDT Special Services	865	-	-	-	-	-	-	-	-
Homecare	867	-	-	-	-	-	-	-	-
Home & Community Based Waiver	868	160,134	491,438	-	-	-	54,264	-	705,836
Total home health		<u>321,122</u>	<u>985,497</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,465</u>	<u>-</u>	<u>1,421,084</u>
Capital		-	-	-	-	-	-	-	-
Minor restricted		-	-	-	-	-	-	-	-
Allocable direct		-	-	-	-	-	-	-	-
Total administrative		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Indirect allocation		<u>(640,051)</u>	<u>(985,497)</u>	<u>(35,048)</u>	<u>(334,048)</u>	<u>(154,115)</u>	<u>(224,373)</u>	<u>-</u>	<u>(2,373,132)</u>
Totals		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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  
Cumberland Valley District Health Department  
Manchester, 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 Cumberland Valley District Health Department (the Health Department) as of and for the year ended June 30, 2018, 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, 2018. Our report contains an unmodified opinion on the regulatory basis of accounting in accordance with the *Administrative Reference*.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the 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 opinion 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*.

**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.

A handwritten signature in black ink, consisting of the letters 'RFH' in a stylized, bold, and slightly slanted font.

RFH, PLLC  
Lexington, Kentucky  
October 23, 2018



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

The Board of Health  
Cumberland Valley District Health Department  
Manchester, Kentucky

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

We have audited the Cumberland Valley District Health Department's (the Health Department) compliance with the types of compliance requirements described in the *OMB 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, 2018. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Cumberland Valley District 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, 2018.

## 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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

**RFH**

RFH, PLLC  
Lexington, Kentucky  
October 23, 2018

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
for the year ended June 30, 2018**

GRANTOR/PROGRAM TITLE	Federal CFDA Number	Pass/Through Contract Number	Grant Contract Period	Passed Through to Subrecipients	Expenditures
U.S. Department of Agriculture (USDA) Passed through Kentucky Cabinet for Health and Family Services (CHFS):					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children:					
WIC Program - Administrative Services	10.557	01160017	7/1/2017-6/30/2018	\$ -	\$ 224,977
WIC Program - Administrative Services	10.557	01160018	7/1/2017-6/30/2018	-	322,257
WIC Program - Administrative Services	10.557	02540016	7/1/2017-6/30/2018	-	5,397
WIC Program - Administrative Services	10.557	02540017	7/1/2017-6/30/2018	-	8,866
<b>Total U.S. Department of Agriculture</b>				<b>\$ -</b>	<b>\$ 561,497</b>
U.S. Department of Health and Human Services (HHS) Passed through State (CHFS):					
Public Health Emergency Preparedness:					
HPP & PHEP	93.069	02140016	7/1/2017-6/30/2018	-	4,310
HPP & PHEP Combined Cooperative Agreement	93.069	02140017	7/1/2017-6/30/2018	-	6,293
				-	10,603
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements:					
HPP & PHEP	93.074	0214EX16	7/1/2017-6/30/2018	-	864
HPP & PHEP	93.074	02150016	7/1/2017-6/30/2018	-	538
ZIKA	93.074	02240016	7/1/2017-6/30/2018	-	3,995
				-	5,397
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:					
Tuberculosis Control Programs	93.116	010600OL18	7/1/2017-6/30/2018	-	50
Family Planning					
Title X Family Planning	93.217	011500OL17	7/1/2017-6/30/2018	-	24,051
Title X Family Planning	93.217	011500OL18	7/1/2017-6/30/2018	-	33,418
				-	57,469
Immunization Cooperative Agreements:					
Immunization Grant	93.268	010500OL16	7/1/2017-6/30/2018	-	108,550
Preventive Health Services Block Grant					
Preventive Health Services	93.758	01040017	7/1/2017-6/30/2018	-	10,000
<b>Subtotal HHS</b>				<b>\$ -</b>	<b>\$ 192,069</b>

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Cumberland Valley District Health Department and is presented on the regulatory basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Therefore, some amounts presented in, or used in the preparation of, the basic financial statements may differ from these numbers.

**Indirect Cost Rates**

The Cumberland Valley District Health Department did not elect to use the 10 percent *de minimis* cost rate as allowed under the *Uniform Guidance*.

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
for the year ended June 30, 2018**

<b>GRANTOR/PROGRAM TITLE</b>	<b>Federal CFDA Number</b>	<b>Pass/Through Contract Number</b>	<b>Grant Contract Period</b>	<b>Passed Through to Subrecipients</b>	<b>Expenditures</b>
U.S. Department of Health and Human Services (HHS) (previous page)				\$ -	\$ 192,069
U.S. Department of Health and Human Services (HHS) Passed through State (CHFS):					
Maternal, Infant and Early Childhood Home Visiting Grant Program: Home Visiting Program	93.870	01300015	7/1/2017-6/30/2018	-	283,120
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations:					
KY Women's Cancer Screening Program	93.898	011100OL16	7/1/2017-6/30/2018	-	565
KY Women's Cancer Screening Program	93.898	011100OL17	7/1/2017-6/30/2018	-	6,743
				-	7,308
HIV Prevention Activities Health Department Based:					
KY Integrated HIV Surveillance & Prevention	93.940	014000OL16	7/1/2017-6/30/2018	-	4,609
Assistance Programs for Chronic Disease Prevention and Control:					
Arthritis - State Public Health Approaches	93.945	017600OL17	7/1/2017-6/30/2018	-	2,955
Arthritis - State Public Health Approaches	93.945	017600OL18	7/1/2017-6/30/2018	-	1,789
Obesity - Enhanced	93.945	024204OL17	7/1/2017-6/30/2018	-	2,279
Obesity - Enhanced	93.945	024204OL18	7/1/2017-6/30/2018	-	578
				-	7,601
Maternal and Child Health Services Block Grant to the States:					
MCH Services Block Grant	93.994	01120015	7/1/2017-6/30/2018	-	23,228
MCH Services Block Grant	93.994	01120016	7/1/2017-6/30/2018	-	29,248
MCH Services Block Grant	93.994	01120017	7/1/2017-6/30/2018	-	42,475
				-	94,951
<b>Total U.S. Department of Health and Human Services</b>				-	<b>589,658</b>
<b>Grand total federal awards expended</b>				\$ -	\$ <b>1,151,155</b>

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
for the year ended June 30, 2018**

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**I. SUMMARY OF AUDITORS' RESULTS**

Financial Statements:

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified \_\_Yes XNo

Significant deficiencies identified that are not  
considered to be material weaknesses \_\_Yes XNone reported

Non-compliance material to financial statements noted \_\_Yes XNo

Federal Awards:

Internal control over major programs:

Material weaknesses identified \_\_Yes XNo

Significant deficiencies identified that are not  
considered to be material weaknesses \_\_Yes XNone reported

Type of auditors' 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 2 CFR 200.516(a)? \_\_Yes XNo

**Major Programs:**

**CFDA Number**

**Name of Federal Program or Cluster**

10.577

USDA - WIC Administration

Dollar threshold used to distinguish between type A  
and type B programs:

\$ 750,000

Auditee qualified as a low-risk auditee?

XYes   No

**II. FINDINGS RELATED TO FINANCIAL STATEMENTS**

NONE

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

NONE

**IV. PRIOR AUDIT FINDINGS**

NONE

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT  
SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2018**

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There are no prior audit findings to report.

**CUMBERLAND VALLEY DISTRICT HEALTH DEPARTMENT**  
**AUDIT ADJUSTMENTS**  
**June 30, 2018**

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<u>Account Number</u>	<u>Program/General Ledger Account Description</u>	<u>Dr.</u>	<u>Cr.</u>
000-104001	Febco Account	\$ 1,848	
100-171000	Unrestricted Fund Balance		\$ 1,848
	To adjust Febco account to actual per Bank statements.		