

**GRAVES COUNTY HEALTH DEPARTMENT
MAYFIELD, KENTUCKY**

AUDITED FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES

June 30, 2019

**GRAVES COUNTY HEALTH DEPARTMENT
TABLE OF CONTENTS**

<u>CONTENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITOR’S REPORT	1
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE	3
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE.....	4
NOTES TO THE FINANCIAL STATEMENTS	6
SCHEDULE OF REVENUES AND EXPENDITURES BY COST CENTER	12
SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL VS BUDGET	17
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	18



INDEPENDENT AUDITOR'S REPORT

Members of the Board
Graves County Health Department
Mayfield, Kentucky 42066

Report on the Financial Statements

We have audited the accompanying financial statements of the Graves County Health Department, which comprises the statement of assets, liabilities and fund balance as of June 30, 2019, and the related statement of revenues, expenditures and changes in fund balance, for the year ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

As described more fully in Note 1, the financial statements are prepared by the Graves County Health Department on the basis of the financial reporting provisions of the Kentucky Cabinet for Health and Family Services, Department for Public Health, Division of Administration and Financial Management, Administrative Reference, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Kentucky Cabinet for Health and Family Services, Department for Public Health, Division of Administration and Financial Management, Administrative Reference.

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 Graves County Health Department, as of June 30, 2019, the changes in its financial position, or, where applicable, its cash flows 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 balance arising from cash transactions of the Graves County Health Department as of June 30, 2019, and the revenues received and expenditures it paid, and the changes in fund balance for the year ended, on the basis of accounting described in Note 1.

Other Matters

Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Graves County Health Department taken as a whole. The supplementary information shown on pages 12 through 16 is presented for additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 information is fairly presented, 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 November 5, 2019, on our consideration of the Graves County Health Department’s internal control over financial reporting and our test 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 on 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 Graves County Health Department’s internal control over financial reporting and compliance.

Romaine & Towery

Certified Public Accountants
Mayfield, Kentucky
November 5, 2019

GRAVES COUNTY HEALTH DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
JUNE 30, 2019

ASSETS

Current Assets

Cash (Note 2)	\$ 2,468,552
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Total Assets	<u>2,468,552</u>
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LIABILITIES AND FUND BALANCE

Liabilities

Accounts payable	<u>29,450</u>
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Total Liabilities	<u>29,450</u>
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Fund Balance

Unrestricted fund balance	421,583
Excess unrestricted fund balance	242,082
Restricted fund balance- Capital	1,026,320
Restricted fund balance - KERS	200,000
Restricted fund balance- State	78,241
Restricted fund balance- Federal	7,086
Restricted fund balance- Fees	<u>463,790</u>

Total Fund Balance	<u>2,439,102</u>
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TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 2,468,552</u>
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GRAVES COUNTY HEALTH DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

Revenues	
State funds	\$ 559,203
Federal funds	595,561
Local funds	377,941
Service fees	1,300,528
Interest income	49,360
Restricted carryover	4,594
Unrestricted carryover	<u>877</u>
Total Revenues	2,888,064
Expenditures	
Compensation	1,166,912
Fringe benefits	898,790
Independent contractors	7,959
Travel	22,450
Occupancy	48,808
Office administration	58,196
Medical supplies	89,784
Automotive	18,677
Other	289,282
Capital expenditures	<u>6,115</u>
Total Expenditures	<u>2,606,973</u>
Excess of Revenues over Expenditures	281,091
Fund Balance, Beginning of Year	2,163,482
Less: Prior Year Income Carryover Included in Current Year Revenues	
Restricted carryover	(4,594)
Unrestricted carryover	<u>(877)</u>
Fund Balance, End of Year	<u><u>\$ 2,439,102</u></u>

**INDEX FOR NOTES
TO THE FINANCIAL STATEMENTS**

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	6
NOTE 2- CASH AND CASH EQUIVALENTS	6
NOTE 3- DEFINED BENEFIT PENSION PLAN	7
NOTE 4- DEFERRED COMPENSATION PLAN	8
NOTE 5- INDIRECT COST ALLOCATION	8
NOTE 6- COMPENSATED ABSENCES	9
NOTE 7- RISK MANAGEMENT	9
NOTE 8- RELATED PARTY	9
NOTE 9- CONTINGENT LIABILITY	9
NOTE 10- EXCESS UNRESTRICTED FUND BALANCE	9
NOTE 11- SUBSEQUENT EVENTS	10

GRAVES COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – The Graves County Health Department (the Department) was established pursuant to the Kentucky Revised Statute (KRS) 212.850 to provide health services through the county health center in Graves County, Kentucky. The Department is governed by the Graves County Board of Health (the Board) which consists of representatives of the county as set forth in KRS 212.850. The Department is exempt from federal and state income taxes.

Basis of Accounting – The Department prepares its financial statements on the basis of accounting as prescribed by the Kentucky Cabinet for Health and Family Services (CHFS), Department for Public Health, Division of Administration and Financial Management, Administrative Reference, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this basis of accounting, revenues are recorded when received and expenditures are recorded when paid (cash basis), with certain exceptions identified in the Administrative Reference. The Department uses the indirect cost allocation plan developed by CHFS in accordance with the requirement of OMB Circular A-87. Fixed assets are recorded as expenses when paid and are not capitalized. Also, in accordance with policy established by CHFS, the Department has not adopted the financial reporting standards of GASB 34, GASB 68 and GASB 75.

Source of Funds – Revenue sources of the Department are divided into four groups as follows:

- State – includes restricted and unrestricted state grant funds;
- Federal – includes federal grants passed through from CHFS;
- Local – includes funds from taxing district, county and city appropriations, and donations from private sources;
- Service fees – includes funds from school board contracts, Medicaid and Medicare payments for services, self-pay, insurance payments, and other pay for services and sale of surplus assets.

Estimates – The preparation of financial statements in conformity with accounting principles consistent with the basis of accounting described above requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2- CASH AND CASH EQUIVALENTS

The primary government-maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(D). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met.

GRAVES COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2019

NOTE 2- CASH AND CASH EQUIVALENTS (Continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a depository institution failure, the government’s deposits may not be returned. The government does not have a deposit policy for custodial credit risk, but rather follows the requirements of KRS 41.240 (4). As of June 30, 2018, all deposits were covered by FDIC insurance or a properly executed collateral security agreement. Below is the degree to which their deposits were exposed to custodial credit risk:

- Category 1 – deposits that are insured (such as by the Federal Deposit Insurance Corporation – FDIC – or a state insurance fund) or that are collateralized with securities that are held by the government itself or by its agent in the government’s name.
- Category 2 – deposits that are collateralized with securities that are held by the bank’s trust department or by an agent in the government’s name.
- Category 3 – deposits that are not collateralized, or that are collateralized with securities held by the bank or by the bank’s trust department or agent, but not in the government’s name.

	Category		
	1	2	3
Federal Deposit Insurance Corporation	\$ 250,000	\$ -	\$ -
U.S. Government Securities		2,325,648	
Total	\$ 250,000	\$ 2,325,648	\$ -

NOTE 3- DEFINED BENEFIT PENSION PLAN

A. Plan Description

All full-time employees are covered under the Kentucky Employees Retirement System (KERS), a cost sharing, multiple employer defined benefit pension plan, which covers all eligible full-time employees and provides for retirement, disability and death benefits to plan members. Benefit contributions and provisions are established by statute.

The Board of Trustees of the Kentucky Retirement Systems administers the KERS, as well as various other pension plans. As such, the Kentucky Retirement System issues its own financial reports for each of the pension plans it administers.

A copy of the financial reports may be obtained by writing to The Kentucky Retirement System, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601.

For the year ending June 30, 2019, plan members were required to contribute 5 percent of their creditable compensation. Plan members who began participation on or after September 1, 2008 were required to contribute 6 percent of their creditable compensation. Participating employers were required to contribute at an actuarially determined rate. For the year ended June 30, 2019, participating employers contributed 49.47 percent of each employee’s creditable compensation.

The Department’s required contribution to KERS for the year ended was \$539,791 and was paid fully to the plan as of the completion of our audit report.

GRAVES COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2019

NOTE 3- DEFINED BENEFIT PENSION PLAN (Continued)

B. Net Pension Liability

As promulgated by GASB Statements No. 67 and 68 the total pension liability for KERS was determined by an actuarial valuation as of June 30, 2017 and Measurement date of June 30, 2018. The net pension liability for employers participating in KERS is as follows: non-hazardous \$13,603,775,213 and hazardous \$505,124,867, for a total net pension liability of \$14,108,900,080 as of June 30, 2018. Based on these requirements, KRS has determined that Graves County Health Department's proportionate share of the net pension liability is \$9,289,338 for non-hazardous as of June 30, 2019. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kyret.ky.gov or can be obtained as described in the paragraph above.

C. Postemployment Benefits Other Than Pensions

As promulgated by GASB 75 the total liability for KERS was determined by an actuarial valuation as of June 30, 2017 and Measurement date of June 30, 2018. The net OPEB liability for employers participating in KERS is as follows: non-hazardous \$2,370,911,868 and hazardous \$-33,168,468, for a total net OPEB liability of \$2,337,743,400 as of June 30, 2019. Based on these requirements, KRS has determined that Graves County Health Department's proportionate share of the net OPEB liability is \$1,617,555 for non-hazardous as of June 30, 2019. The complete actuarial valuation report including all actuarial assumptions and methods is publicly available on the website at www.kyret.ky.gov or can be obtained as described in the paragraph above.

NOTE 4- DEFERRED COMPENSATION PLAN

The Department offers all eligible employees to participate in deferred compensation plans administered by The Kentucky Public Employees' Deferred Compensation Authority. The Kentucky Public Employees' Deferred Compensation Authority is authorized to provide administration of tax sheltered supplemental retirement plans for all state, public school, and university employees, and employees of local political subdivisions that have elected to participate.

These deferred compensation plans permit all full time employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participation by eligible employees in the deferred compensation plans is voluntary.

Historical trend information showing The Kentucky Public Employees' Deferred Compensation Authority's progress in accumulating sufficient assets to pay benefits when due is presented in The Kentucky Public Employees' Deferred Compensation Authority's annual financial report. This report may be obtained by writing The Kentucky Public Employees' Deferred Compensation Authority at 105 Sea Hero Road, Suite 1, Frankfort, KY 40601-8862, or by telephone at (502) 573-7925.

NOTE 5- INDIRECT COST ALLOCATION

Within the local health department, there are two separate and distinct areas of responsibility. These responsibility areas are medical and environmental services, which benefit more than one program. These charges are accumulated in the General Medical or General Environmental administration programs. These accumulated costs are then reallocated to the respective medical and environmental programs based on direct salary and fringe benefit costs.

GRAVES COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2019

NOTE 5- INDIRECT COST ALLOCATION (Continued)

Costs that are not directly related to a specific program or to the medical or environmental responsibility areas are classified as Departmental Administration and reallocated to all programs based on direct salary and fringe benefit costs or square footage utilization in the case of space costs. Capital expenditures are not allocated. All leave time and fringe benefits recorded in the indirect costs reporting area are allocated as above but are added to the direct recorded expenses within the program to which the indirect costs are allocated.

NOTE 6- COMPENSATED ABSENCES

The employees of the Department earn vacation, sick and compensated hours monthly depending on job classification, length of service, and other factors. Under the Department's method of accounting as described in Note 1, the liabilities for the value of the compensated absences earned are not recorded.

The vacation and compensated hours earned are subject to cash payment upon termination of employment. At June 30, 2019, the value of vacation and compensated hours was approximately \$117,050.

The sick hours earned are not subject to cash payment upon termination, but are subject to conversion into the employee's retirement account as creditable compensation. Upon such conversion, the Department is liable for the payment of the employer's share of the retirement contribution. At June 30, 2019, the value of sick hours earned was approximately \$275,005.

NOTE 7- RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Department carries commercial insurance for risks or loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past year.

NOTE 8- RELATED PARTY

The Graves County Health Department is composed of the members of the Graves County Public Health Taxing District, who are appointed pursuant to KRS 212.786. The local board has jurisdiction over the activities of the Graves County Health Department conducted in Graves County, Kentucky. The Graves County Public Health Taxing District sets their tax rate for the county and collects the revenues from the Sheriff's office. The Graves County Public Health Taxing District has the responsibility of taking care of the local Public Health Department building in Mayfield, Kentucky. The Graves County Health Department received \$377,000 from the Graves County Public Health Taxing District for the fiscal year 2019.

NOTE 9- CONTINGENT LIABILITY

The Graves County Public Health Department participates in federally assisted grant programs and other restricted programs subject to compliance requirements. Expenditures may, upon audit, be disallowed. That amount, if any, cannot be determined but is not normally expected to be material.

NOTE 10- EXCESS UNRESTRICTED FUND BALANCE

According to Kentucky Administrative Regulation title 902 KAR 8:170 Sec. 3 (3)(c), if the local health department accumulates an unrestricted fund balance, as of June 30 of a fiscal year, in excess of thirty (30) percent of that year's expenditures for non fee programs plus forty (40) percent of that year's expenditures for fee for service programs, or \$100,000, whichever is greater, then the local health department shall submit, to the Department of Public Health, a written plan of use for the amount of the excess. If approved, the funds shall be placed into a local restricted fund to be used solely for the purpose(s) approved. The Graves County Public Health Department had \$242,082 excess unrestricted fund balance at year-end, June 30, 2019.

GRAVES COUNTY HEALTH DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2019

NOTE 11- SUBSEQUENT EVENTS

Management has evaluated subsequent events that may require disclosure in the financial statements through November 5, 2019 the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

GRAVES COUNTY HEALTH DEPARTMENT
SCHEDULE OF REVENUES AND EXPENDITURES BY COST CENTER
FOR THE YEAR ENDED JUNE 30, 2019

	500	520	540	560	598	700	712	718	726	727	731
	Food Service	Public Facilities	General Sanitation	On Site Sewage	Healthy Homes & Lead Poison Prev	Preventive/ Presenting Problems	Dental Services	Laboratory/ Testing/ Radiology	ZIKA Preparedness Response	Needle Exchange	Opioid Crisis Response
Revenues											
State funds	\$ 37,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 559	\$ -	\$ -	\$ -	\$ -
Federal funds									-	-	14,134
Local funds			-	-	-		-		-	5,442	922
Service fees	1,701	300	2,655	28,925			1,231				
Restricted carryover											
Interest income	6,162	7,005	22,902	2,495	1,831		-		200	8,598	-
Total Revenues	45,733	7,305	25,557	31,420	1,831	-	1,790	-	200	14,040	15,056
Expenditures											
Direct											
Compensation	19,139	3,165	10,782	12,968	895	204,340	-	7,440	-	1,992	3,738
Fringe benefits	9,503	1,424	5,230	6,824	451	94,312	-	3,356	-	1,119	2,095
Independent contracts						465		291			
Travel	45	13	16	87	6	249				-	1,633
Office administrative	416									398	1,315
Medical supplies						64,954		9,602			
Automotive											57
Other	-			227		311		-	200	9,561	4,397
Capital expenditures											
Total Direct	29,103	4,602	16,028	20,106	1,352	364,631	-	20,689	200	13,070	13,235
Indirect allocation	16,630	2,703	9,529	11,314	479	270,584	152	9,877	-	970	1,821
Resource based allocation						(635,215)	1,569	(30,566)			
Total Expenditures	45,733	7,305	25,557	31,420	1,831	-	1,721	-	200	14,040	15,056
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69	\$ -	\$ -	\$ -	\$ -

GRAVES COUNTY HEALTH DEPARTMENT
SCHEDULE OF REVENUES AND EXPENDITURES BY COST CENTER
FOR THE YEAR ENDED JUNE 30, 2019

	736	739	741	750	752	753	756	758	766	774	800	802	803
	CHAT	Worksite Wellness	Passport Referrals	Accreditation	Hands GF Services	SRAE	Prep	Humana Vitality	MCH Coordinator	Child Fatality Prevention	Pediatric/ Adolescent	Family Planning	Maternity Services & Activity
Revenues													
State funds	\$ -	\$ -	\$ -	\$ -	\$73,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 365	\$ -
Federal funds	5,111					13,401	13,789		40,257	99	5,000	61,348	
Local funds	2,533	6,702	16	1,512		3,049	5,572		13,824	1	4,582		166
Service fees								86,905			159,011	44,506	12
Restricted carryover					4,479	-					-	-	-
Interest income											-		
Total Revenues	7,644	6,702	16	1,512	78,159	16,450	19,361	86,905	54,081	100	168,593	106,219	178
Expenditures													
Direct													
Compensation	3,313	2,268	1	178	37,465	4,916	5,846	19,284	25,031	34	373	1,992	
Fringe benefits	1,860	1,273	-	99	20,597	2,756	2,080	8,309	14,038	19	210	1,118	
Independent contracts												1,126	
Travel				-	-	-	-	-	-			604	
Occupancy													
Office administrative	-	-											
Medical supplies								9,803				1,011	
Automotive								1,712				61	
Other	705	1,458		600		6,383	8,131	13,858		-	-		
Capital expenditures													
Total Direct	5,878	4,999	1	877	58,062	14,055	16,057	52,966	39,069	53	583	5,912	-
Indirect allocation	1,766	1,703	15	635	20,097	2,395	3,304	12,265	15,012	47	274	970	-
Resource based allocation								-	-	-	167,736	59,700	178
Total Expenditures	7,644	6,702	16	1,512	78,159	16,450	19,361	65,231	54,081	100	168,593	66,582	178
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$21,674	\$ -	\$ -	\$ -	\$39,637	\$ -

GRAVES COUNTY HEALTH DEPARTMENT
SCHEDULE OF REVENUES AND EXPENDITURES BY COST CENTER
FOR THE YEAR ENDED JUNE 30, 2019

	804	805	806	807	809	810	811	813	818	821	823	834
	WIC	MCH Nutrition & Group Activity	Tuberculosis	Sexually Transmitted Disease	Diabetes	Adult Visits & Follow-up	Lead Poisoning Prevention	Breast & Cervical Cancer	Community Based Services	Bioterrorism (Focus Area A)	Bioterrorism (Focus Area E)	Asthma SMBP
Revenues												
State funds	\$ -	\$ -		\$ -	\$19,800	\$ 9,026	\$ -	\$ -	\$ -	\$ -		\$ -
Federal funds	188,896	6,532	13,126					15,000	-	27,037	1,764	-
Local funds	18,686	554	57,796	1,746	9,248	32,791	1,305	29,808	687	11,393	1,460	276
Service fees		1,995	50,989	3,553	8,965	92,155	-	22,698	2,000	-		-
Restricted carryover		115			-							-
Unrestricted carryover				877		-	-					-
Interest income				41		126						
Total Revenues	207,582	9,196	121,911	6,217	38,013	134,098	1,305	67,506	2,687	38,430	3,224	276
Expenditures												
Direct												
Compensation	25,768	1,699	2,291	195	16,471	3,163	-	2,612	1,091	12,599	833	60
Fringe benefits	14,452	849	1,285	111	9,191	1,774	-	1,464	586	6,643	469	37
Independent contracts								6,077				
Travel	258		3	111	76				3	990	154	
Occupancy												
Office administrative	523	-	-		-					885		
Medical supplies												
Automotive										39		
Other	1,400	1,564	25,790		441			250	150	9,570	1,213	-
Capital expenditures												
Total Direct	42,401	4,112	29,369	417	26,179	4,937	-	10,403	1,830	30,726	2,669	97
Indirect allocation	14,475	879	1,422	95	11,296	1,974	-	1,271	857	7,704	555	179
Resource based allocation	150,706	4,205	91,120	5,705	538	127,187	1,305	55,832	-	-	-	-
Total Expenditures	207,582	9,196	121,911	6,217	38,013	134,098	1,305	67,506	2,687	38,430	3,224	276
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

GRAVES COUNTY HEALTH DEPARTMENT
SCHEDULE OF REVENUES AND EXPENDITURES BY COST CENTER
FOR THE YEAR ENDED JUNE 30, 2019

	836	837	841	842	844	845	846	853	856	858	859	878	890
	Tobacco Control	Abstinence	Diabetes Coalition	HIV Counseling Testing	State Care Coord and Consortia	Ryan White Services	Flouride Personnel	Hands	Arthritis	Supplemental School Health	Immunization Projects	Hands Administration Trainers/TA	Core Public Health
Revenues													
State funds	\$12,783	\$ -	\$ -	\$ -	\$ 4,543	\$ -	\$ 4,200	\$30,790	\$ -	\$ -	\$ -	\$ 61,375	\$ -
Federal funds		-	3,350	1,244		104,749			-		997	11,758	
Local funds	5,334	1,172	512	1	329	9,995	211		6,830		353	7,281	1,417
Service fees	209							212,831		437,790	-		62
Restricted carryover								-					
Interest income													
Total Revenues	18,326	1,172	3,862	1,245	4,872	114,744	4,411	243,621	6,830	437,790	1,350	80,414	1,479
Expenditures													
Direct													
Compensation	4,666	253	1,602	608		39,696		111,655	2,834	212,347	719	29,660	569
Fringe benefits	2,619	141	896	340		22,248		56,525	1,588	111,664	68	16,638	321
Independent contracts													
Travel	9		1			3,835		126		3,166	147	4,648	
Occupancy													
Office administrative	125					9,030		1,211	7	779		2,020	
Medical supplies										4,414			
Automotive						62		4,139				4,004	
Other	7,164		460		17	15,677		2,055	1,020	408		752	
Capital expenditures								-					
Total Direct	14,583	394	2,959	948	17	90,548	-	175,711	5,449	332,778	934	57,722	890
Indirect allocation	3,743	778	903	297	4,855	24,196	4,411	67,411	1,381	105,012	416	22,692	589
Resource based allocation	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	18,326	1,172	3,862	1,245	4,872	114,744	4,411	243,122	6,830	437,790	1,350	80,414	1,479
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 499	\$ -	\$ -	\$ -	\$ -	\$ -

GRAVES COUNTY HEALTH DEPARTMENT
SCHEDULE OF REVENUES AND EXPENDITURES BY COST CENTER
FOR THE YEAR ENDED JUNE 30, 2019

	<u>891</u>	<u>894</u>	<u>895</u>	<u>897</u>	<u>898</u>	<u>899</u>	<u>900</u>	<u>901</u>	
	Medicaid Match	Capital	Allocable Leave & Fringes	Space Indirect	Departmental Administrative	Clinic Indirect	General Medical Administrative	General Environmental Administrative	Totals
Revenues									
State funds	\$ -		\$304,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 559,203
Federal funds			67,969						595,561
Local funds	6,270	6,115	122,050						377,941
Service fees	142,035								1,300,528
Restricted carryover		-							4,594
Unrestricted carryover		-							877
Interest income									49,360
Total Revenues	<u>148,305</u>	<u>6,115</u>	<u>494,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,888,064</u>
Expenditures									
Direct									
Compensation		-		19,341	190,412	114,496		6,112	\$ 1,166,912
Fringe benefits			275,019	12,912	126,567	53,728		3,982	898,790
Independent contracts									7,959
Travel					5,884	386			22,450
Occupancy				48,808					48,808
Office administrative					39,843	899	325	420	58,196
Medical supplies									89,784
Automotive					5,747			2,856	18,677
Other	148,305				27,071			144	289,282
Capital expenditures		<u>6,115</u>							<u>6,115</u>
Total Direct	<u>148,305</u>	<u>6,115</u>	<u>275,019</u>	<u>81,061</u>	<u>395,524</u>	<u>169,509</u>	<u>325</u>	<u>13,514</u>	<u>2,606,973</u>
Indirect allocation	-	-		(81,061)	(395,524)	(169,509)	(325)	(13,514)	-
Resource based allocation	-	-		-	-	-	-	-	-
Total Expenditures	<u>148,305</u>	<u>6,115</u>	<u>275,019</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,606,973</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$219,212</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,091</u>

GRAVES COUNTY HEALTH DEPARTMENT
SCHEDULE OF REVENUES AND EXPENDITURES – ACTUAL VS BUDGET
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Over (Under) Budget</u>
Revenues			
State funds	\$ 777,165	\$ 559,203	\$ (217,962)
Federal funds	642,523	595,561	(46,962)
Local funds	424,499	377,941	(46,558)
Service fees	1,275,786	1,300,528	24,742
Interest income	30,000	49,360	19,360
Restricted carryover	15,462	4,594	(10,868)
Unrestricted carryover	131,855	877	(130,978)
Total Revenues	<u>3,297,290</u>	<u>2,888,064</u>	<u>(409,226)</u>
Expenditures			
Compensation	1,270,914	1,166,912	(104,002)
Fringe benefits	992,223	898,790	(93,433)
Independent contractors	56,300	7,959	(48,341)
Travel	49,100	22,450	(26,650)
Occupancy	55,900	48,808	(7,092)
Office administration	95,058	58,196	(36,862)
Medical supplies	113,486	89,784	(23,702)
Automotive	28,150	18,677	(9,473)
Other	383,272	289,282	(93,990)
Capital expenditures	247,966	6,115	(241,851)
Total Expenditures	<u>3,292,369</u>	<u>2,606,973</u>	<u>(685,396)</u>
Excess of Revenues over Expenditures	<u>\$ 4,921</u>	<u>\$ 281,091</u>	<u>\$ 276,170</u>

**INDEPENDENT AUDITOR'S 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 Members of the Board of the
Graves County Health Department

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 accompanying financial statements of the Graves County Health Department as of and for the year ended June 30, 2019 and the related notes to the financial statements, and have issued our report thereon dated November 5, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Graves County 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 Graves County Health Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Graves County 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement 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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 Graves County Health Department's financial statements are free of 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 matter that is required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITOR'S 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

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.

Romaine & Towery

Certified Public Accountants
Mayfield, Kentucky
November 5, 2019