

**LAKE CUMBERLAND DISTRICT
HEALTH DEPARTMENT
Somerset, Kentucky**

**FINANCIAL STATEMENTS
June 30, 2024**

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INDEPENDENT AUDITORS' REPORT

The Board of Health
Lake Cumberland District Health Department
Somerset, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Lake Cumberland District Health Department (the District Health Department), which comprise the statement of assets, liabilities, and fund balance - regulatory basis as of June 30, 2024, and the related statement of revenues, expenditures, and changes in fund balance - regulatory basis - budget to actual for the year then ended, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances of the Lake Cumberland District Health Department, as of June 30, 2024, and the revenues it received and expenditures it paid, and budgetary results for the year then ended, 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.

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 section of our report, 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 District Health Department, as of June 30, 2024, or changes in financial position for the year then ended.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District Health Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1, the financial statements are prepared by the District 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 meet 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 and pervasive.

Responsibilities of Management 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. 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' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District Health Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District Health Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District Health Department's basic financial statements. The accompanying supplementary schedules of revenues and direct and indirect costs by reporting area and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are 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 basic financial statements.

The supplementary 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 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 17, 2024, on our consideration of the District 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 District 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 District Health Department's internal control over financial reporting and compliance.

RFH

RFH, PLLC
Lexington, Kentucky
October 17, 2024

**LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
REGULATORY BASIS
June 30, 2024**

ASSETS

Current assets	
Checking	\$ 14,688,213
Petty cash	<u>1,100</u>
Total current assets	14,689,313
Investments	
Certificates of deposit	<u>4,245,500</u>
Total assets	<u>\$ 18,934,813</u>

LIABILITIES AND FUND BALANCE

Current liabilities	
Payroll withholdings and other payables	<u>\$ 43,045</u>
Fund Balance	
Unrestricted	8,063,993
Reserved - MCH	3,052
Reserved - Local Community Health	150
Reserved - Medicaid match	466,169
Reserved - Capital	125,000
Reserved - Employer retirement	7,579,471
Restricted - State	734,155
Restricted - Federal	239,966
Restricted - Fees	<u>1,679,812</u>
Total fund balance	<u>18,891,768</u>
Total liabilities and fund balance	<u>\$ 18,934,813</u>

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

LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
REGULATORY BASIS - BUDGET TO ACTUAL
for the year ended June 30, 2024

	Budget	Actual	Over (under) Budget
REVENUES			
State	\$ 6,494,522	\$ 6,964,743	\$ 470,221
Federal, pass-through and direct	7,355,240	4,653,077	(2,702,163)
Local	3,813,782	3,823,976	10,194
Service fees and other	4,236,419	4,872,394	635,975
Interest	58,260	255,158	196,898
Prior year funds used	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>21,958,223</u>	<u>20,569,348</u>	<u>(1,388,875)</u>
EXPENDITURES			
Salaries and leave	7,410,247	7,280,142	(130,105)
Part-time	251,941	208,307	(43,634)
Fringe benefits	6,898,115	6,820,359	(77,756)
Contracts	47,900	112,096	64,196
Travel	398,692	386,117	(12,575)
Space occupancy	755,433	666,211	(89,222)
Office and administrative expense	486,171	614,317	128,146
Medical supplies	343,908	267,963	(75,945)
Automotive	19,288	9,788	(9,500)
Other operating expenses	3,664,613	1,302,772	(2,361,841)
Capital	<u>446,237</u>	<u>326,849</u>	<u>(119,388)</u>
Total expenditures	<u>20,722,545</u>	<u>17,994,921</u>	<u>(2,727,624)</u>
EXCESS OF REVENUES OVER (EXPENDITURES)	1,235,678	2,574,427	1,338,749
Adjustments to fund balance			
Reclassification of MCO liabilities	-	178,467	178,467
Prior year funds used	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	1,235,678	2,752,894	1,517,216
FUND BALANCE - beginning of year	<u>16,138,874</u>	<u>16,138,874</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 17,374,552</u>	<u>\$ 18,891,768</u>	<u>\$ 1,517,216</u>

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

LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Lake Cumberland District Health Department (the District Health Department) was created and became fully operational on July 1, 1971, and is governed by a District Board of Health, which is a body politic and corporate. The purpose of the District Health Department is to provide centralized administrative services for the county health departments. In July 1982, the District Health Department expanded from five counties to its current ten counties in the Lake Cumberland area which includes the counties of Adair, Casey, Clinton, Cumberland, Green, McCreary, Pulaski, Russell, Taylor, and Wayne. The District Board of Health consists of representatives from each of the ten counties as set forth in Kentucky Revised Statutes 212.855.

The District 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 expense incurred, but unpaid, are not recorded. Inventories are not recorded but are expensed to the current period. Capital assets and the related depreciation expense is not reported; prepaid expenses and unearned revenues are also not recorded. "Prior year funds used" represents previously accumulated excess revenue over expenditures.

Federal and state revenues for services are recognized as received and are based in some instances upon reimbursement reports filed by the District 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 17, 2024, no formal reports have been issued as a result of audits performed or in progress for the year ended June 30, 2024.

Source of Funds:

Revenue sources of the District 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, and other pay for service

Interest – includes interest received from bank accounts and investments.

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

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

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

LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

1. ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The District Health Department uses an indirect cost allocation plan 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 supplementary data for the District Health Department.

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

The District Health Department has evaluated and considered the need to recognize or disclose subsequent events through October 17, 2024, 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, 2024, have not been evaluated by the District Health Department.

2. CASH AND INVESTMENTS

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

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The District 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 District 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 District Health Department's deposits at June 30, 2024, were fully covered by federal depository insurance or by collateral held by the custodial banks in the District Health Department's name.

Total cash and investments	\$ 19,966,137
FDIC insurance	(551,529)
Collateral held by pledging bank	<u>(21,622,771)</u>
Under (over) collateralized	<u>\$ (2,208,163)</u>

**LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

3. FUND BALANCE

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

	State	Federal	Fees	Totals
428 – Unrestricted PHT Funds	\$ 37,785	\$ -	\$ -	\$ 37,785
500 – Food Services	-	-	92,996	92,996
520 – Public Facilities	-	-	237,700	237,700
590 – Food License Project	-	-	168,366	168,366
712 – Dental Services	918	-	26,906	27,824
724 – KHDA Opioid Abatement	-	-	75,000	75,000
727 – Harm Reduc/Needle Exchange	55,218	-	547	55,765
734 – SSP Expansion Project	-	3,087	-	3,087
741 – Hands Special Project	20,893	-	-	20,893
758 – Humana Vitality	-	-	769,370	769,370
780 – OD2A Bridge Grant	34,054	-	-	34,054
809 – Diabetes	15,689	-	-	15,689
827 – Teen Pregnancy Prevention	-	82,356	-	82,356
832 – KIPRC ROPA	-	46,363	-	46,363
833 – Breastfeeding Training	-	7,421	-	7,421
839 – Marshall Grant Diabetes	-	-	28,736	28,736
842 – HIV Counseling & Testing	8,071	-	-	8,071
846 – Rural Health Opioid Grant	-	52,886	-	52,886
847 – KIPRC Jail Education Grant	-	15,141	-	15,141
852 – KYOAAC Grant	-	-	22,334	22,334
853 – HANDS	561,527	32,680	257,857	852,064
887 – Imm Grant Project	-	32	-	32
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 734,155</u>	<u>\$ 239,966</u>	<u>\$ 1,679,812</u>	<u>\$ 2,653,933</u>

4. LEASES

The District Health Department leases its district administrative office spaces in Somerset, Kentucky from the Pulaski County Fiscal Court. The lease is for \$1 a year for 20 years from March 1, 2022 to February 28, 2042. Additional spaces are leased from time to time as needed on a month by month basis.

5. ACCRUED TIME-OFF

The District Health Department's accrued vacation and other potential compensated absences are not accrued as earned because the District Health Department uses the regulatory basis of accounting. The District Health Department's potential liability is \$863,613 at June 30, 2024.

6. RISK MANAGEMENT

The District 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 District 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.

LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

7. KENTUCKY EMPLOYEES' RETIREMENT SYSTEM PLAN

The District Health Department is a participating employer of the Kentucky Employees' Retirement Systems (KERS). Under the provisions of Kentucky Revised Statute 61.645, the Board of Trustees of Kentucky Public Pensions Authority (KPPA) administers the KERS. The plan issues publicly available financial statements which may be downloaded from the Kentucky Retirement System's website.

Plan Description – KERS is a cost-sharing multiple-employer defined benefit pension plan and was established by Kentucky Revised Statute (KRS) 61.515 for the purpose of providing retirement benefits to all regular full-time members employed in positions of any state department, board, or agency directed by Executive Order to participate in KERS. 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 or plan members under certain circumstances. Cost-of-living adjustments (COLA) are provided at the discretion of state legislature.

Contributions – For the year ended June 30, 2024, grandfathered plan members were required to contribute 5% of wages for non-hazardous job classifications. Employees hired after September 1, 2008, are required to contribute 6% of wages for non-hazardous job classifications.

Plan members who began participating on, or after, January 1, 2014, are 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% 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.

Pursuant to Kentucky Revised Statute (KRS) 61.5991, the method of calculating the employer contribution changed from a percentage of pay to a two-part calculation effective July 1, 2021:

The normal cost contributions are based on each employers' reported payroll multiplied by the normal cost percentage. House Bill 192, passed during the 2021 regular session of the legislature, set the KERS non-hazardous employer contribution rate for the year ended June 30, 2024 at 9.97% (7.82% to the pension fund and 2.15% to the insurance fund).

The unfunded liability cost is an actuarially accrued liability contribution based upon the actuarial valuation for fiscal year 2021 and is prorated according to each employer's percentage of the plan's total actuarial accrued liability that is attributable to each employer's current and former employees. The Health Department's share of the actuarially accrued liability contribution is 0.3913%, with 90% allocated to the pension fund and 10% allocated to the insurance fund.

The Health Department contributed \$4,728,107, \$725,831 as the normal cost contribution and \$4,002,276 as the actuarially accrued liability contribution, for the year ended June 30, 2024, which is 100% of the required contribution. The contribution was allocated \$4,171,356 to the KERS pension fund and \$556,751 to the KERS insurance fund.

**LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024**

7. KENTUCKY EMPLOYEES' RETIREMENT SYSTEM PLAN

Pension Liabilities – At June 30, 2024, the District Health Department estimates that its total unfunded net pension liability would be approximately \$48,644,805 based upon its proportionate share of the total net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 and rolled forward using generally accepted valuation techniques. The Health Department's proportion of the net pension liability was primarily based upon their allocation of the normal cost portion of the required contributions, as allocated by actual salaries for the fiscal year ending June 30, 2022. At June 30, 2023, the District Health Department's proportion was 0.3949 percent, which was an increase of 0.0005 percent from its proportion measured as of June 30, 2022.

OPEB Liabilities – At June 30, 2024, the District Health Department estimates that its total unfunded net OPEB liability would be approximately \$3,290,215 based upon its proportionate share of the total OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022 and rolled forward using generally accepted valuation techniques. The Health Department's proportion of the net OPEB liability was primarily based upon their allocation of the normal cost portion of the required contributions, as allocated by actual salaries for the fiscal year ending June 30, 2022. At June 30, 2023, the District Health Department's proportion was 0.4194 percent, which was an increase of 0.0039 percent from its proportion measured as of June 30, 2022.

8. COMPLIANCE

The Lake Cumberland District Health Department is not in compliance per 902 KAR 8:170 Section 3, Subsection 3(c). The District Health Department has excess unrestricted fund balance in the amount of \$866,025. The District Health Department is required to submit a plan to spend this excess amount to the State Department of Public Health.

9. RELATED PARTIES

The District Health Department is related by common Board members to ten county public health taxing districts. The ten county Boards of Health set their county's public health tax rate annually. A total of \$3,813,782 in public health taxes were transferred from the taxing districts to the District Health Department for the year ended June 30, 2024. An additional \$285,512 was transferred from the taxing districts for reimbursements for various expenditures and mini grants. The county public health tax transfers were as follows:

Adair County Public Health Taxing District	\$ 262,134
Casey County Public Health Taxing District	232,061
Clinton County Public Health Taxing District	155,637
Cumberland County Public Health Taxing District	133,341
Green County Public Health Taxing District	160,047
McCreary County Public Health Taxing District	176,705
Pulaski County Public Health Taxing District	1,495,713
Russell County Public Health Taxing District	401,907
Taylor County Public Health Taxing District	495,399
Wayne County Public Health Taxing District	<u>300,838</u>
Total local contributions	<u>\$ 3,813,782</u>

10. FUND BALANCE ADJUSTMENT

During fiscal year 2024, the State decided to forgive the liabilities the Health Department owed to the Department of Public Health for Medicaid match and administrative fees. This liability forgiveness resulted in an adjustment to unrestricted fund balance in the amount of \$178,467.

SUPPLEMENTARY INFORMATION

LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
SUPPLEMENTARY SCHEDULE OF REVENUES BY REPORTING AREA
for the year ended June 30, 2024

	REVENUES						Total Costs	Department Carryover	Program Excess (Deficit)	
	State	Federal	Local	Service Fees	Interest	Total Revenues				
Food	500	\$ -	\$ -	\$ 117,201	\$ 240,798	\$ -	\$ 357,999	\$ 357,999	\$ -	\$ -
Public Facilities	520	-	-	-	109,898	-	109,898	109,165	-	733
General Sanitation	540	-	-	163,163	-	-	163,163	163,163	-	-
Onsite Sewage	560	-	-	330,579	549,726	-	880,305	880,305	-	-
Food License Project	590	-	-	-	273,043	-	273,043	228,261	-	44,782
Radon	591	1,911	1,897	-	-	-	3,808	3,808	-	-
Total Environmental	1,911	1,897	610,943	1,173,465	-	1,788,216	1,742,701	-	-	45,515
Preventative Problems	700	-	-	-	-	-	-	-	-	-
Dental Services	712	10	-	-	131	-	141	20	-	121
Laboratory/Testing/Radiology	718	-	-	-	-	-	-	-	-	-
KHDA Opioid Abatement Award	724	-	-	-	75,000	-	75,000	-	-	75,000
Covid Vac Com Outreach & Equity	725	-	-	13,493	-	-	13,493	13,493	-	-
Needle Exchange Program	727	47,390	17,620	-	48,288	-	113,298	82,270	-	31,028
Fentanyl Test Strips	729	-	5,140	4,608	-	-	9,748	9,748	-	-
SSP Expansion Project	734	-	24,206	-	-	-	24,206	21,120	-	3,086
CHAT	736	10,711	42,583	-	-	-	53,294	53,294	-	-
COVID-19 Immunization Supp.	738	-	154,884	2,231	-	-	157,115	157,115	-	-
HANDS - ARPA	740	-	3,720	15,075	-	-	18,795	18,795	-	-
HANDS Special Project	741	266,500	-	-	-	-	266,500	245,605	-	20,895
CHW Expansion OHE	744	10,508	124,121	-	-	-	134,629	134,629	-	-
HANDS GF Services	752	239	-	-	-	-	239	239	-	-
PHEP	753	137,332	39,035	-	-	-	176,367	176,367	-	-
Personal Responsibility Education	756	73,084	83,600	-	-	-	156,684	156,684	-	-
Go365 - Humana Vitality	758	43,548	-	-	25,604	-	69,152	69,152	-	-
HANDS Federal Home Visiting	760	113	-	-	-	-	113	113	-	-
Diabetes Telehealth	761	7,911	56,239	-	-	-	64,150	64,150	-	-
Tobacco Program Federal Funds	765	2,448	23,428	-	-	-	25,876	25,876	-	-
MCH Coordinator	766	34,114	232,835	-	1,200	-	268,149	268,149	-	-
ELC Enhancing Detection	769	-	262,216	72,179	-	-	334,395	334,395	-	-
Child Fatality Prevention	774	47	-	-	-	-	47	47	-	-
OD2A Bridge Grant	780	270,000	-	-	-	-	270,000	235,946	-	34,054
HARM Reductions - MSA	781	35,165	-	-	-	-	35,165	35,165	-	-
PHPS OHE Harm Reduction	782	1,548	14,265	-	-	-	15,813	15,813	-	-
Pediatric/Adolescent	800	19,972	-	-	11,098	-	31,070	31,070	-	-
Immunization	801	-	880	395,243	202,150	-	598,273	598,273	-	-
Family Planning	802	347,759	228,984	240	139,708	4	716,695	716,695	-	-
Maternity Services & Activity	803	311	-	-	40	-	351	351	-	-
WIC	804	124,516	1,480,732	654,500	20	-	2,259,768	2,259,768	-	-
MCH Nutrition & Group Activity	805	22,119	24,579	-	194	-	46,892	46,892	-	-
Tuberculosis	806	-	8,244	325,056	71,396	-	404,696	404,696	-	-
Sexually Transmitted Disease	807	-	-	25,980	5,442	-	31,422	31,422	-	-
Communicable Disease	808	-	-	233,383	-	-	233,383	233,383	-	-
Diabetes	809	317,169	-	-	-	-	317,169	317,169	-	-
Adult Visits & Follow-up	810	114,124	-	-	20,225	-	134,349	134,349	-	-
Lead Poisoning Prevention	811	-	-	1,881	35	-	1,916	1,916	-	-
Breast & Cervical Cancer	813	13,196	28,761	-	3,040	-	44,997	44,997	-	-
COVID-19 Vaccine	816	852	-	-	181	-	1,033	1,033	-	-
Prep. Coordination & Training	821	-	106,558	69,767	-	-	176,325	176,325	-	-
Prep. Epidemic & Surveillance	822	-	116,384	10,325	-	-	126,709	126,709	-	-
FY24 PHEP Special Project	824	-	20,000	5,000	-	-	25,000	25,000	-	-
WFD School Health	825	-	-	-	-	-	-	(41)	-	41
Local Comm Pub Health Proj	826	85	-	8,918	-	-	9,003	9,003	-	-
Teen Pregnancy Prevention	827	49	-	-	-	-	49	49	-	-
Heart4Change	829	4,598	-	-	-	-	4,598	4,598	-	-
Sexual Risk Avoidance EDU Grant	830	-	-	-	-	-	-	(200)	-	200
KIPRC ROPA	832	-	72,370	-	-	-	72,370	26,008	-	46,362
Breastfeeding Promotion	833	10,911	79,760	-	-	-	90,671	90,671	-	-
Tobacco	836	197,627	-	-	-	-	197,627	197,627	-	-
Marshall Univ Grant Diabetes	839	1,122	-	-	-	-	1,122	1,122	-	-
Breastfeeding Peer Counselor	840	14,367	106,086	-	-	-	120,453	120,453	-	-
Diabetes Today Program	841	240	-	-	-	-	240	240	-	-
HIV Counseling & Testing	842	-	94	13	-	-	107	107	-	-
Ryan White Pharmacy Rebate	844	471,792	-	46,490	-	-	518,282	518,282	-	-
Ryan White Program	845	-	154,138	19,300	-	-	173,438	173,438	-	-
Rural Health Opioid Grant	846	-	-	-	-	-	-	(152)	-	152
KIPRC Jail Education Grant	847	-	17,014	-	-	-	17,014	1,873	-	15,141
Healthy Start Day Care	848	65,087	-	-	-	-	65,087	65,087	-	-
HRSA Ending the HIV Epidemic	851	4,110	-	-	-	-	4,110	4,110	-	-
KYOAAC Grant	852	-	-	-	250,000	-	250,000	227,668	-	22,332
HANDS Prima Gravida Program	853	625,674	661,038	1,275	2,831,859	-	4,119,846	4,119,846	-	-
WIC Infrastructure	854	5,776	7,223	-	-	-	12,999	12,999	-	-
Immunization Projects	859	140	-	-	-	-	140	140	-	-
Immunization Grant Project	887	-	793	-	-	-	793	761	-	32
Core Public Health	890	-	-	7,226	1,365	-	8,591	8,591	-	-
Minor Restricted	892	1,127	-	-	1,850	-	2,977	2,977	-	-
Total Medical	3,303,391	4,197,530	1,912,183	3,688,826	4	13,101,934	12,853,490	-	-	248,444
Capital	894	480,129	-	-	-	-	480,129	293,849	-	186,280
Allocable Direct	895	3,179,312	453,650	1,300,850	10,103	255,154	5,199,069	3,104,881	-	2,094,188
Total Administrative	3,659,441	453,650	1,300,850	10,103	255,154	5,679,198	3,398,730	-	-	2,280,468
Totals	\$6,964,743	\$4,653,077	\$3,823,976	\$4,872,394	\$255,158	\$20,569,348	\$17,994,921	\$ -	\$ -	\$2,574,427

LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
SUPPLEMENTARY SCHEDULE OF DIRECT COSTS BY REPORTING AREA
for the year ended June 30, 2024

DIRECT COSTS

	Salaries	Part-Time	Fringes	Contracts	Travel	Occupancy	Administration	Supplies	Auto	Other	Capital	Total Direct Costs	
Food	500	\$ 120,868	\$ -	\$ 53,226	\$ -	\$ 6,930	\$ -	\$ 1,049	\$ -	\$ -	\$ -	\$ 182,073	
Public Facilities	520	37,030	-	16,326	-	2,678	-	485	-	6	-	56,525	
General Sanitation	540	54,766	-	24,122	-	2,676	-	661	-	-	-	82,225	
Onsite Sewage	560	293,722	-	129,358	-	33,319	-	129	-	292	-	456,820	
Food License Project	590	309	-	149	-	-	-	15,403	-	211,991	-	227,852	
Radon	591	853	-	372	-	-	-	-	-	1,448	-	2,673	
Total Environmental		507,548	-	223,553	-	45,603	-	17,727	-	213,737	-	1,008,168	
Preventative Problems	700	875,983	5,650	406,898	764	8,599	-	2,612	20,735	-	-	1,321,241	
Dental Services	712	-	4	-	-	-	-	-	-	-	-	4	
Laboratory/Testing/Radiology	718	52,112	-	24,158	12,077	375	-	-	28,385	-	-	117,107	
KHDA Opioid Abatement Award	724	-	-	-	-	-	-	-	-	-	-	-	
Covid Vac Com Outreach & Equity	725	-	-	-	-	-	-	-	-	13,493	-	13,493	
Needle Exchange Program	727	58	-	35	-	-	-	-	70,405	-	-	70,498	
Fentanyl Test Strips	729	-	-	-	-	-	-	-	7,080	-	2,668	9,748	
SSP Expansion Project	734	-	-	-	-	-	(1,579)	1,148	37	21,514	-	21,120	
CHAT	736	17,044	-	8,234	-	480	-	16,350	-	(500)	-	41,608	
COVID-19 Immunization Supp.	738	15,652	-	7,572	-	498	-	11,083	28,025	49	75,842	138,721	
HANDS - ARPA	740	-	-	-	630	-	-	1,360	-	-	16,328	18,318	
HANDS Special Project	741	-	-	-	-	-	-	93,172	2,143	142,290	8,000	245,605	
CHW Expansion OHE	744	53,632	-	25,928	4,681	-	-	592	-	3,832	-	88,665	
HANDS GF Services	752	47	-	78	24	-	-	-	-	-	-	149	
PHEP	753	78,837	-	38,082	4,227	-	543	-	-	5,916	-	127,605	
Personal Responsibility Education	756	70,922	-	34,275	5,170	-	638	-	-	1,020	-	112,025	
Go365 - Humana Vitality	758	31,279	-	15,107	181	-	882	-	-	159	-	47,608	
HANDS Federal Home Visiting	760	43	-	37	9	-	-	-	-	-	-	89	
Diabetes Telehealth	761	28,710	-	13,887	1,736	-	-	-	-	-	-	44,333	
Tobacco Program Federal Funds	765	7,275	-	3,510	286	-	-	-	-	10,350	-	21,421	
MCH Coordinator	766	80,843	-	39,078	3,560	-	445	-	-	91,693	-	215,619	
ELC Enhancing Detection	769	115,402	-	55,776	1,386	505	10,777	55	99	90,596	-	274,596	
Child Fatality Prevention	774	-	-	-	47	-	-	-	-	-	-	47	
OD2A Bridge Grant	780	43,321	15,200	22,531	21,000	7,093	10,546	-	-	75,496	-	195,187	
HARM Reductions - MSA	781	-	-	-	-	-	-	16,241	-	18,924	-	35,165	
PHPS OHE Harm Reduction	782	-	-	-	-	-	-	14,265	-	1,548	-	15,813	
Pediatric/Adolescent	800	-	-	-	(109)	-	-	-	-	-	-	(109)	
Immunization	801	58	-	36	-	-	-	-	-	-	-	94	
Family Planning	802	26	-	-	4,000	-	1,183	46,278	-	254	-	51,741	
Maternity Services & Activity	803	-	-	-	-	-	-	-	-	-	-	-	
WIC	804	10,462	-	5,058	727	-	4,329	-	-	352	-	20,928	
MCH Nutrition & Group Activity	805	20,556	-	9,937	450	850	12	-	-	2,103	-	33,908	
Tuberculosis	806	7,807	-	3,771	300	1,425	4	12,729	-	240	-	26,276	
Sexually Transmitted Disease	807	-	-	-	-	-	-	126	-	-	-	126	
Communicable Disease	808	106,322	-	51,380	1,621	-	2,511	-	-	2,696	-	164,530	
Diabetes	809	138,610	32	66,969	10,125	-	7,862	-	-	5,724	-	229,322	
Adult Visits & Follow-up	810	-	-	-	-	-	-	-	-	-	-	-	
Lead Poisoning Prevention	811	937	-	446	45	-	-	-	-	-	-	1,428	
Breast & Cervical Cancer	813	35	-	-	18,375	-	-	-	-	-	-	18,410	
COVID-19 Vaccine	816	511	-	254	-	-	-	-	-	-	-	765	
Prep. Coordination & Training	821	80,906	-	39,085	1,947	1,078	1,837	-	-	1,009	-	125,862	
Prep. Epidemic & Surveillance	822	59,081	-	28,554	1,314	-	1,702	-	-	-	-	90,651	
FY24 PHEP Special Project	824	-	-	-	-	-	-	-	-	-	25,000	25,000	
WFD School Health	825	-	-	-	-	-	-	(41)	-	-	-	(41)	
Local Comm Pub Health Proj	826	-	-	-	-	-	227	-	-	8,776	-	9,003	
Teen Pregnancy Prevention	827	-	-	-	-	-	49	-	-	-	-	49	
Heart4Change	829	-	-	-	-	-	-	-	-	4,598	-	4,598	
Sexual Risk Avoidance EDU Grant	830	-	-	-	-	-	-	-	-	(200)	-	(200)	
KIPRC ROPA	832	10,584	-	5,102	3,157	-	(4)	-	-	160	-	18,999	
Breastfeeding Promotion	833	34,698	-	16,772	3,054	-	4,426	-	36	10,902	-	69,888	
Tobacco	836	84,820	-	40,997	3,233	-	1,970	-	-	15,275	-	146,295	
Marshall Univ Grant Diabetes	839	-	-	-	-	-	-	-	-	1,122	-	1,122	
Breastfeeding Peer Counselor	840	10,400	45,972	9,825	1,236	-	5,094	-	-	637	-	73,164	
Diabetes Today Program	841	-	-	-	240	-	-	-	-	-	-	240	
HIV Counseling & Testing	842	-	-	-	-	-	-	-	-	-	-	-	
Ryan White Pharmacy Rebate	844	167,539	164	80,981	21,103	28,544	80,215	8,960	16,403	9,649	-	413,558	
Ryan White Program	845	82,475	-	39,853	237	3,566	-	13	19	-	-	126,163	
Rural Health Opioid Grant	846	-	-	-	-	-	-	(152)	-	-	-	(152)	
KIPRC Jail Education Grant	847	-	-	-	405	-	-	10	-	344	-	759	
Healthy Start Day Care	848	29,612	-	14,296	1,607	-	-	12	-	1,540	-	47,067	
HRSA Ending the HIV Epidemic	851	-	-	-	4,110	-	-	-	-	-	-	4,110	
KYOAAC Grant	852	83,916	-	40,559	29,680	4,901	-	4,644	-	-	12,311	176,011	
HANDS Prima Gravida Program	853	1,771,204	20,576	858,024	-	138,287	-	43,530	175	141,073	-	2,972,869	
WIC Infrastructure	854	460	-	223	-	-	-	-	-	12,072	-	12,755	
Immunization Projects	859	28	-	59	-	-	-	-	-	-	-	87	
Immunization Grant Project	887	101	-	37	-	-	-	-	-	575	-	713	
Core Public Health	890	4,143	-	2,030	-	78	-	-	-	-	-	6,251	
Minor Restricted	892	-	-	-	-	-	-	-	-	2,977	-	2,977	
Total Medical		4,176,451	87,598	2,009,434	112,096	245,235	81,798	235,640	263,996	396	805,358	33,000	8,051,002
Capital	894	-	-	-	-	-	-	-	-	-	293,849	-	293,849
Allocable Direct	895	-	-	3,104,881	-	-	-	-	-	-	-	-	3,104,881
Total Administrative		-	-	3,104,881	-	-	-	-	-	-	293,849	-	3,398,730
Indirect Cost Allocation													
Departmental		789,545	36,668	494,650	-	16,246	76	291,798	-	7,203	253,130	-	1,889,316
Environmental		269,186	6,312	167,810	-	20,297	-	13,831	-	-	8,621	-	486,057
Clinic		1,148,626	14,817	571,784	-	29,033	11,848	43,860	3,967	-	16,341	-	1,840,276
Medical		269,075	31,301	170,523	-	12,564	-	10,381	-	85	5,304	-	499,233
Space		119,711	31,611	77,724	-	17,139	572,489	1,080	-	2,104	281	-	822,139
Total Indirect Cost Allocation		2,596,143	120,709	1,482,491	-	95,279	584,413	360,950	3,967	9,392	283,677	-	5,537,021
Totals		\$7,280,142	\$208,307	\$6,820,359	\$112,096	\$386,117	\$666,211	\$614,317	\$267,963	\$9,788	\$1,302,772	\$326,849	\$17,994,921

**LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
SUPPLEMENTARY SCHEDULE OF INDIRECT COSTS BY REPORTING AREA
for the year ended June 30, 2024**

	INDIRECT COSTS							Total Indirect Costs
	Departmental	Environmental	Clinic	Medical	Space	Allocation		
Food	500	\$ 44,153	\$ 115,750	\$ -	\$ -	\$ 16,023	\$ -	\$ 175,926
Public Facilities	520	13,528	35,462	-	-	3,650	-	52,640
General Sanitation	540	20,008	52,446	-	-	8,484	-	80,938
Onsite Sewage	560	107,275	281,286	-	-	34,924	-	423,485
Food License Project	590	113	296	-	-	-	-	409
Radon	591	302	817	-	-	16	-	1,135
Total Environmental		185,379	486,057	-	-	63,097	-	734,533
Preventative Problems	700	339,888	-	1,737,773	99,582	324,794	(3,823,278)	(1,321,241)
Dental Services	712	-	-	-	-	-	16	16
Laboratory/Testing/Radiology	718	20,046	-	102,503	5,871	23,916	(269,443)	(117,107)
KHDA Opioid Abatement Award	724	-	-	-	-	-	-	-
Covid Vac Com Outreach & Equity	725	-	-	-	-	-	-	-
Needle Exchange Program	727	19	-	-	5	11,748	-	11,772
Fentanyl Test Strips	729	-	-	-	-	-	-	-
SSP Expansion Project	734	-	-	-	-	-	-	-
CHAT	736	6,839	-	-	2,002	2,845	-	11,686
COVID-19 Immunization Supp.	738	6,272	-	-	1,837	10,285	-	18,394
HANDS - ARPA	740	-	-	-	-	477	-	477
HANDS Special Project	741	-	-	-	-	-	-	-
CHW Expansion OHE	744	21,500	-	-	6,295	18,169	-	45,964
HANDS GF Services	752	68	-	-	22	-	-	90
PHEP	753	31,589	-	-	9,256	7,917	-	48,762
Personal Responsibility Education	756	28,415	-	-	8,327	7,917	-	44,659
Go365 - Humana Vitality	758	12,526	-	-	3,674	5,344	-	21,544
HANDS Federal Home Visiting	760	19	-	-	5	-	-	24
Diabetes Telehealth	761	11,506	-	-	3,370	4,941	-	19,817
Tobacco Program Federal Funds	765	2,910	-	-	854	691	-	4,455
MCH Coordinator	766	32,402	-	-	9,490	10,638	-	52,530
ELC Enhancing Detection	769	46,250	-	-	13,549	-	-	59,799
Child Fatality Prevention	774	-	-	-	-	-	-	-
OD2A Bridge Grant	780	25,203	-	-	7,384	8,172	-	40,759
HARM Reductions - MSA	781	-	-	-	-	-	-	-
PHPS OHE Harm Reduction	782	-	-	-	-	-	-	-
Pediatric/Adolescent	800	-	-	-	-	-	31,179	31,179
Immunization	801	19	-	-	5	-	598,155	598,179
Family Planning	802	-	-	-	5	-	664,949	664,954
Maternity Services & Activity	803	-	-	-	-	-	351	351
WIC	804	4,194	-	-	1,228	2,302	2,231,116	2,238,840
MCH Nutrition & Group Activity	805	8,237	-	-	2,411	1,965	371	12,984
Tuberculosis	806	3,136	-	-	919	-	374,365	378,420
Sexually Transmitted Disease	807	-	-	-	-	-	31,296	31,296
Communicable Disease	808	42,604	-	-	12,486	13,763	-	68,853
Diabetes	809	55,565	-	-	16,280	15,991	11	87,847
Adult Visits & Follow-up	810	-	-	-	-	-	134,349	134,349
Lead Poisoning Prevention	811	378	-	-	110	-	-	488
Breast & Cervical Cancer	813	19	-	-	5	-	26,563	26,587
COVID-19 Vaccine	816	208	-	-	60	-	-	268
Prep. Coordination & Training	821	32,421	-	-	9,500	8,542	-	50,463
Prep. Epidemic & Surveillance	822	23,673	-	-	6,934	5,451	-	36,058
FY24 PHEP Special Project	824	-	-	-	-	-	-	-
WFD School Health	825	-	-	-	-	-	-	-
Local Comm Pub Health Proj	826	-	-	-	-	-	-	-
Teen Pregnancy Prevention	827	-	-	-	-	-	-	-
Heart4Change	829	-	-	-	-	-	-	-
Sexual Risk Avoidance EDU Grant	830	-	-	-	-	-	-	-
KIPRC ROPA	832	4,232	-	-	1,243	1,534	-	7,009
Breastfeeding Promotion	833	13,906	-	-	4,074	2,803	-	20,783
Tobacco	836	33,989	-	-	9,960	7,383	-	51,332
Marshall Univ Grant Diabetes	839	-	-	-	-	-	-	-
Breastfeeding Peer Counselor	840	27,867	-	-	8,167	11,255	-	47,289
Diabetes Today Program	841	-	-	-	-	-	-	-
HIV Counseling & Testing	842	-	-	-	-	107	-	107
Ryan White Pharmacy Rebate Fun	844	67,222	-	-	19,695	17,807	-	104,724
Ryan White Program	845	33,044	-	-	9,685	4,546	-	47,275
Rural Health Opioid Grant	846	-	-	-	-	-	-	-
KIPRC Jail Education Grant	847	-	-	-	-	1,114	-	1,114
Healthy Start Day Care	848	11,865	-	-	3,475	2,680	-	18,020
HRSA Ending the HIV Epidemic	851	-	-	-	-	-	-	-
KYOAAC Grant	852	33,630	-	-	9,855	8,172	-	51,657
HANDS Prima Gravida Program	853	720,415	-	-	211,071	215,491	-	1,146,977
WIC Infrastructure	854	189	-	-	55	-	-	244
Immunization Projects	859	39	-	-	14	-	-	53
Immunization Grant Project	887	38	-	-	10	-	-	48
Core Public Health	890	1,595	-	-	463	282	-	2,340
Minor Restricted	892	-	-	-	-	-	-	-
Total Medical		1,703,937	-	1,840,276	499,233	759,042	-	4,802,488
Capital	894	-	-	-	-	-	-	-
Allocable Direct	895	-	-	-	-	-	-	-
Total Administrative		-	-	-	-	-	-	-
Indirect Allocation		(1,889,316)	(486,057)	(1,840,276)	(499,233)	(822,139)	-	(5,537,021)
Totals		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



**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
Lake Cumberland District Health Department
Somerset, 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 Lake Cumberland District Health Department (the District Health Department), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District Health Department's basic financial statements, and have issued our report thereon dated October 17, 2024. Our report contains an unmodified opinion on the regulatory basis of accounting in accordance with the *Administrative Reference*

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Lake Cumberland District Health Department's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Health Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the District 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RFH

RFH, PLLC
Lexington, Kentucky
October 17, 2024



CPAs | Consultants

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

The Board of Health
Lake Cumberland District Health Department
Somerset, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Lake Cumberland District Health Department's (the District Health Department) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District Health Department's major federal programs for the year ended June 30, 2024. The District Health Department's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Lake Cumberland 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, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Health Department and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District Health Department's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District Health Department's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District Health Department's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District Health Department's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District Health Department's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District Health Department's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the District Health Department's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 17, 2024

**LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended June 30, 2024**

GRANTOR/PROGRAM TITLE	Federal AL 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	01160023	7/1/23-6/30/24	\$ -	\$ 595,760
WIC Program - Administrative Services	10.557	01160024	7/1/23-6/30/24	-	1,163,090
WIC Program - Administrative Services	10.557	02540022	7/1/23-6/30/24	-	25,923
WIC Program - Administrative Services	10.557	02540023	7/1/23-6/30/24	-	80,163
				<u>\$ -</u>	<u>\$ 1,864,936</u>
WIC Infrastructure					
WIC Program	10.578	02290022	7/1/23-6/30/24	-	7,223
				<u>-</u>	<u>7,223</u>
Total U.S. Department of Agriculture				<u>\$ -</u>	<u>\$ 1,872,159</u>
U.S. Environmental Protection Agency (EPA)					
Passed through State (CHFS)					
State Indoor Radon Grants					
State Indoor Radon Grants	66.032	02610023	7/1/23-6/30/24	\$ -	\$ 1,911
Total U.S. Environmental Protection Agency				<u>\$ -</u>	<u>\$ 1,911</u>
U.S. Department of Health and Human Services (HHS)					
Passed through the University of Kentucky (UK)					
Injury Prevention and Control Research and State and Community Based Programs					
Kentucky Overdose Date to Action - Jail Education Program	93.136	NU17CE924971	7/1/23-6/30/24	\$ -	\$ 89,385
Passed through State (CHFS)					
Public Health Emergency Preparedness					
HPP & PHEP Combined Cooperative Agreement	93.069	02140022	7/1/23-6/30/24	-	106,558
HPP & PHEP Combined Cooperative Agreement	93.069	02140021	7/1/23-6/30/24	-	20,000
				<u>-</u>	<u>126,558</u>
ACA Personal Responsibility Education Programs					
PREP	93.092	02980022	7/1/23-6/30/24	-	2,551
PREP	93.092	02980023	7/1/23-6/30/24	-	81,049
				<u>-</u>	<u>83,600</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs					
Tuberculosis Control Programs	93.116	010600N24	7/1/23-6/30/24	-	5,927
Tuberculosis Control Programs	93.116	010600N25	7/1/23-6/30/24	-	2,317
				<u>-</u>	<u>8,244</u>
Subtotal HHS				<u>\$ -</u>	<u>\$ 307,787</u>

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Lake Cumberland 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 Lake Cumberland District Health Department did not elect to use the 10 percent *de minimis* cost rate as allowed under the Uniform Guidance.

**LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended June 30, 2024**

GRANTOR/PROGRAM TITLE	Federal AL Number	Pass/Through Contract Number	Grant Contract Period	Passed Through to Subrecipients	Expenditures
Passed through State (CHFS)					
U.S. Department of Health and Human Services (HHS) (previous page)				\$ -	\$ 307,787
Family Planning Services					
Title X Family Planning	93.217	011500OL24	7/1/23-6/30/24	-	188,078
Title X Family Planning	93.217	011500OL25	7/1/23-6/30/24	-	40,906
				-	228,984
Sexual Avoidance Education	93.235	01270023	7/1/23-6/30/24	-	9,759
Sexual Avoidance Education	93.235	01270024	7/1/23-6/30/24	-	29,276
				-	39,035
Immunization Cooperative Agreements					
Covid-19 Immunization Support	93.268	0105OLCRR18	7/1/23-6/30/24	-	154,884
Immunization Grant	93.268	010500OL20	7/1/23-6/30/24	-	121
Immunization Grant	93.268	0105OLARPA18	7/1/23-6/30/24	-	792
Immunization Grant	93.268	0105OLBRG21	7/1/23-6/30/24	-	880
Immunization Grant	93.268	0105OLCRR218	7/1/23-6/30/24	-	68,483
				-	225,160
Epidemiology & Laboratory Capacity for Infectious Disease (ELC)					
Contact Tracing	93.323	013900CRR21	7/1/23-6/30/24	-	280,038
WFD School Health					
Preparedness Epidem & Survlnc	93.354	0266ARPA21	7/1/23-6/30/24	-	123,013
National and State Tobacco Control Program					
Tobacco Control Program	93.387	01620124	7/1/23-6/30/24	-	23,362
Tobacco Control Program	93.387	01620125	7/1/23-6/30/24	-	2,595
				-	25,957
Activities to Support State, Tribal, Local & Territorial (STLT) Health					
Department Response to Public Health or Healthcare Crises					
SSP Expansion Project	93.391	0158RCCRR21	7/1/23-6/30/24	-	160,053
Improving the Health of Americans through Prevention and					
Management of Diabetes and Heart Disease and Stroke					
Diabetes Today Program	93.426	02440123	7/1/23-6/30/24	-	10,312
Innovative State and Local Public Health Strategies to Prevent					
and Manage Diabetes and Heart Disease and Stroke					
Diabetes Telehealth	93.435	02450023	7/1/23-6/30/24	-	76,482
State Physical Activity and Nutrition	93.439	024209OL19	7/1/23-6/30/24	-	25,000
Opioid STR					
SSP Expansion Project	93.788	02030023	7/1/23-6/30/24	-	29,347
SSP Expansion Project	93.788	02790022	7/1/23-6/30/24	-	10,046
				-	39,393
Program Formula, Expansion, and Development Grants to States					
Maternal, Infant and Early Childhood Home Visiting Grant Program					
Home Visiting Program	93.870	0130ARPA220	7/1/23-6/30/24	-	3,720
Home Visiting Program	93.870	01300020	7/1/23-6/30/24	-	56,955
Home Visiting Program	93.870	01300021	7/1/23-6/30/24	-	618,443
				-	679,118
Subtotal HHS				\$ -	\$ 2,220,332

**LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended June 30, 2024**

GRANTOR/PROGRAM TITLE	Federal AL Number	Pass/Through Contract Number	Grant Contract Period	Passed Through to Subrecipients	Expenditures
U.S. Department of Health and Human Services (HHS) (previous page)				\$ -	\$ 2,220,332
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations					
Breast and Cervical Cancer	93.898	011100OL23	7/1/23-6/30/24	-	28,761
Breast and Cervical Cancer	93.898	011100OL22	7/1/23-6/30/24	-	2,380
				-	31,141
HIV Care Formula Grants					
Ryan White Care Act Title II	93.917	01690023	7/1/23-6/30/24	-	139,808
Ryan White Care Act Title II	93.917	01690024	7/1/23-6/30/24	-	32,398
				-	172,206
HIV Prevention Activities Health Department Based KY Integrated HIV Surveillance & Prevention	93.940	015000OL22	7/1/23-6/30/24	-	17,714
Preventive Health and Health Service Block Grant					
Preventive Health - CHAT	93.991	01040022	7/1/23-6/30/24	-	12,583
Preventive Health - CHAT	93.991	01040023	7/1/23-6/30/24	-	32,000
				-	44,583
Maternal and Child Health Services Block Grant to the States:					
MCH Services Block Grant	93.994	01120022	7/1/23-6/30/24	-	116,166
MCH Services Block Grant	93.994	01120023	7/1/23-6/30/24	-	176,865
				-	293,031
Total U.S. Department of Health and Human Services				\$ -	\$ 2,779,007
Grand total federal awards expended				\$ -	\$ 4,653,077

**LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
for the year ended June 30, 2024**

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 XNo

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 XNo

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:

AL Number

Name of Federal Program or Cluster

10.557 Special Supplement Nutrition Program for Women, Infant, and
Children (WIC)

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

**LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
SCHEDULE OF PRIOR AUDIT FINDINGS
June 30, 2024**

There are no prior audit findings to report.

**LAKE CUMBERLAND DISTRICT HEALTH DEPARTMENT
SCHEDULE OF AUDIT ADJUSTMENTS
June 30, 2024**

There are no proposed audit adjustments.