

**CALDWELL COUNTY PUBLIC HEALTH
TAXING DISTRICT**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Statement of Assets, Liabilities, and Fund Balance Arising from Cash Transactions	2
Statement of Cash Receipts and Disbursements	3
Notes to Financial Statements	4-5
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>	6-7

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Health
Caldwell County Public Health
Taxing District
Princeton, Kentucky

I have audited the accompanying financial statements of the Caldwell County Public Health Taxing District as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the Caldwell County Public Health Taxing District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

As described more fully in Note 1, the Caldwell County Public Health Taxing District prepares its financial statements using accounting practices prescribed or permitted by the Kentucky Cabinet for Health and Family Services, Department for Public Health, Division of Administration and Financial Management, *Administrative Reference*, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balance of the Caldwell County Public Health Taxing District as of June 30, 2009, and the revenues, expenditures, and changes in fund balance for the year then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, I have also issued my report dated January 19, 2010, on my consideration of the Caldwell County Public Health Taxing District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

This report is intended solely for the information and use of the Board of Health, management, others within the organization, and the Kentucky Cabinet for Health and Family Services, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



January 19, 2010

CALDWELL COUNTY PUBLIC HEALTH TAXING DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCE
ARISING FROM CASH TRANSACTIONS
JUNE 30, 2009

ASSETS

Current Assets:	
Cash in checking	\$ 132,694.60
Certificates of deposit	<u>20,000.00</u>
TOTAL ASSETS	<u>\$ 152,694.60</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
None	\$ 0.00
Fund Balance	<u>152,694.60</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 152,694.60</u>

See notes to financial statements

CALDWELL COUNTY PUBLIC HEALTH TAXING DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2009

RECEIPTS:

Tax revenue	\$ 113,216.51
Interest	<u>1,359.81</u>
 Total receipts	 <u>114,576.32</u>

DISBURSEMENTS:

Current:

Pennyrile District Health Department - appropriations	97,755.00
Pennyrile District Health Department - fixtures and bulbs	370.00
Pennyrile District Health Department - subscription	44.00
Publication of financial statements	76.50
Computer supplies	606.00
Insurance	484.78
Mowing	1,230.00
Ice storm cleanup	550.00
Paint and painting	3,428.23
Other repairs and maintenance	1,951.48
Post office and lock box rent	90.00
Memorial donation	250.00

Capital Outlay:

Pennyrile District Health Department - annex furniture	<u>2,580.62</u>
--	-----------------

Total Disbursements	<u>109,416.61</u>
---------------------	-------------------

Excess (deficiency) of cash receipts over cash disbursements	5,159.71
--	----------

CASH - Beginning of year	<u>147,534.89</u>
--------------------------	-------------------

CASH - End of year	<u><u>\$ 152,694.60</u></u>
--------------------	-----------------------------

See notes to financial statements

CALDWELL COUNTY PUBLIC HEALTH TAXING DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Caldwell County Public Health Taxing District was formed as a taxing district as provided in Kentucky Revised Statutes. The entity is a governmental unit and as such is exempt from income tax.

The following is a summary of the more significant policies:

1. The Reporting Entity

The District, for financial purposes, includes all of the funds relevant to the operations of the District.

2. Fund Accounting

The accounts of the District are organized on the basis of funds. The only fund type applicable to the District is the General Fund, which is the general operating fund of the District. It is used to account for all financial resources.

3. Property, Plant and Equipment

The accounting and reporting treatment applied to property, plant and equipment associated with a fund is determined by its measurement focus. All governmental fund types are accounted for on a spending "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (receipts) and decreases (disbursements) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Property, plant and equipment used in governmental fund type operations are reported as cash disbursements on the statement of cash receipts and disbursements.

4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The records of the Caldwell County Public Health Taxing District are maintained on the cash basis of accounting, consequently certain revenue and related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. This is the accounting method prescribed by the Kentucky Cabinet for Health and Family Services, Department for Public Health. This cash basis system does not require the maintenance of a general fixed asset account group or general long-term debt group of accounts.

CALDWELL COUNTY PUBLIC HEALTH TAXING DISTRICT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2009

NOTE 2 – PROPERTY TAXES:

The District's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes are due and payable by December 31, with a discount offered for earlier payment. All unpaid taxes become delinquent January 1 of the following year. Taxes are collected by county fee officials and remitted to the District on a monthly basis.

NOTE 3 – RISK MANAGEMENT:

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; and errors and omissions. The District purchases commercial insurance to mitigate these risks.

NOTE 4 – CASH AND INVESTMENTS:

At June 30, 2009, the carrying amount of the District's deposits was \$152,694.60 and the bank balance was \$154,114.60. The entire bank balance was secured by federal depository insurance.

NOTE 5 – SUBSEQUENT EVENTS:

At the August 25, 2009 meeting, the board approved starting the process of building a new health department of approximately 15,000 square feet. Since that time, the board has reviewed rough projections and discussed possible locations for the building, but no final plans have been made.

KIM HAM
CERTIFIED PUBLIC ACCOUNTANT

75 Vine Street
Benton, KY 42025

(270) 527-3628
(270) 527-2261 fax

- ◆ Tax Preparation
- ◆ Bookkeeping
- ◆ Auditing
- ◆ Payroll
- ◆ Consulting

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*

Members of the Board of Health
Caldwell County Public Health
Taxing District
Princeton, Kentucky

I have audited the financial statements of the governmental activities of the Caldwell County Public Health Taxing District as of and for the year ended June 30, 2009, which collectively comprise the Caldwell County Public Health Taxing District's basic financial statements and have issued my report thereon dated January 19, 2010. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Caldwell County Public Health Taxing District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Caldwell County Public Health Taxing District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Caldwell County Public Health Taxing District's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Caldwell County Public Health Taxing District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Caldwell County Public Health District's financial statements that is more than inconsequential will not be prevented or detected by the Caldwell County Public Health District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Caldwell County Public Health District's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Caldwell County Public Health Taxing District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization and the Kentucky Cabinet for Health and Family Services and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Kim Ham". The signature is written in a cursive style and is positioned above the typed name and date.

Benton, Kentucky
January 19, 2010