

KENTUCKY COALITION AGAINST
DOMESTIC VIOLENCE, INC.

AUDITED FINANCIAL STATEMENTS

JUNE 30, 2019

BESTEN & DIERUF, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kentucky Coalition Against Domestic Violence, Inc.
Frankfort, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of Kentucky Coalition Against Domestic Violence, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year then 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Coalition Against Domestic Violence, Inc. as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the 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 information is fairly stated, in all material respects, in relation to the 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 March 10, 2020, on our consideration of Kentucky Coalition Against Domestic Violence, Inc.'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 Kentucky Coalition Against Domestic Violence, Inc.'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 Kentucky Coalition Against Domestic Violence, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Breston + Dierf, LLC". The signature is written in a cursive, flowing style.

Lexington, Kentucky
March 10, 2020

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

ASSETS

CURRENT ASSETS

Cash	\$	1,116,979
Cash - restricted		92,961
Accounts receivable:		
Employee		2,742
Trade		7,746
Grants		1,518,670
Prepaid expenses		<u>21,178</u>
TOTAL CURRENT ASSETS		<u>2,760,276</u>

OTHER ASSETS

Capital assets, net		293,986
Investments		<u>331,825</u>
TOTAL OTHER ASSETS		<u>625,811</u>

TOTAL ASSETS \$ 3,386,087

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	161,793
Credit cards payable		1,984
Accrued vacation		58,269
Payroll withholdings payable		4,723
Grants payable		1,819,970
Mortgages payable - current portion		<u>31,897</u>
TOTAL CURRENT LIABILITIES		2,078,636

LONG-TERM LIABILITIES

Mortgages payable, net of current portion		<u>280,335</u>
TOTAL LIABILITIES		2,358,971

NET ASSETS

Without donor restrictions		872,429
With donor restrictions		<u>154,687</u>
TOTAL NET ASSETS		<u>1,027,116</u>

TOTAL LIABILITIES AND NET ASSETS \$ 3,386,087

See Independent Auditors' Report and Notes to Financial Statements.

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Federal and state grants	\$ 12,915,970	\$ 39,111	\$ 12,955,081
Capital gains (loss)	2,690	-	2,690
Contributions	216,929	138,145	355,074
Dues	112,500	-	112,500
Interest and dividends	5,122	2,990	8,112
Other	476,623	2,806	479,429
Registrations	10,501	110,188	120,689
Rental	1,115	-	1,115
Vendor fees	2,056	280	2,336
Unrealized gain (loss)	17,228	-	17,228
Net assets release from restrictions:			
Satisfaction of program restrictions	712,541	(712,541)	-
TOTAL REVENUE AND SUPPORT	14,473,275	(419,021)	14,054,254
EXPENSES			
Program services:			
Health and Family Services	11,144,090	-	11,144,090
Economic Justice Program	179,807	-	179,807
Family Prevention & Services Act	225,507	-	225,507
Independent Development Accounts	244,036	-	244,036
AmeriCorps Program	406,616	-	406,616
CAPTA	57,551	-	57,551
TBRA	116,384	-	116,384
Violence Against Women Act Program	120,035	-	120,035
Transitional Housing	69,689	-	69,689
Tax Credit Program	10,996	-	10,996
Continuum of Care	399,544	-	399,544
OVC Technology	7,900	-	7,900
DOJ Coalition	85,704	-	85,704
Purple Purse Program	36,965	-	36,965
Conference	107,461	-	107,461
Microloan	9,708	-	9,708
Victims of Crimes Act	548,076	-	548,076
State Victims Assistance Academy	46,446	-	46,446
Total program services	13,816,515	-	13,816,515
Administrative Expenses	421,463	-	421,463
Fundraising Expenses	-	-	-
TOTAL EXPENSES	14,237,978	-	14,237,978
CHANGE IN NET ASSETS	235,297	(419,021)	(183,724)
NET ASSETS, BEGINNING OF YEAR	637,132	573,708	1,210,840
NET ASSETS, END OF YEAR	\$ 872,429	\$ 154,687	\$ 1,027,116

See Independent Auditors' Report and Notes to Financial Statements.

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (183,724)
Adjustments to reconcile change in net assets to net change from operating activities:	
Depreciation	29,743
Unrealized (gain) loss	(17,228)
(Increase) decrease in operating assets:	
Accounts receivable - employee	1,475
Accounts receivable - trade	629
Accounts receivable - grants	(136,347)
Deposits	1,205
Prepaid expenses	6,822
(Decrease) increase in operating liabilities:	
Accounts payable	150,189
Credit cards payable	(14,939)
Accrued vacation	33,024
Deferred revenue	(1,307)
Grants payable	732,661
Payroll withholdings payable	<u>(26,883)</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>575,320</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	(17,613)
Purchase of investments	<u>(6,034)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	(23,647)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on mortgages	<u>(29,300)</u>
NET CASH FLOWS FROM FINANCING ACTIVITIES	<u>(29,300)</u>

NET CHANGE IN CASH 522,373

CASH, BEGINNING OF YEAR 687,567

CASH, END OF YEAR \$ 1,209,940

SUPPLEMENTAL CASH FLOW DISCLOSURES

Cash paid for interest during the year	\$ 12,164
Cash paid for income taxes during the year	\$ -

See Independent Auditors' Report and Notes to Financial Statements.

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ACTIVITIES

The Kentucky Coalition Against Domestic Violence, Inc. (KCADV) is a nonprofit, charitable and educational entity whose purpose is to provide support, information, resources, and technical assistance to member programs; to coordinate services to victims of domestic violence; and to effectively advocate for victims of domestic violence and their children. Major sources of revenue are from governmental and private grants. KCADV's programs are as follows:

- ***Health and Family Services.*** Provides services to individuals who are victims of domestic violence through sub-contracts with the primary service providers of each area development district.
- ***Economic Justice Program.*** Serves transitional students (welfare recipients) in Kentucky's community college system.
- ***Family Prevention & Services Act.*** Works with local domestic violence programs and provides direct services to encourage appropriate response to domestic violence within the State, increases public awareness of domestic violence, addresses issues with judicial and law enforcement agencies concerning appropriate responses to domestic violence cases, and furthers domestic violence intervention and prevention.
- ***Independent Development Accounts.*** Helps domestic violence victims become asset-owning members of society.
- ***AmeriCorps Program.*** Provides overall supervision and continuing development training for AmeriCorps members for placement in KCADV's domestic violence programs.
- ***Kentucky Housing Corporation.*** Promotes the development of supportive housing and services for homeless in the Commonwealth of Kentucky.
- ***Violence Against Women Act Program.*** Coordinates state victim service activities and collaborates and coordinates with federal, state and local entities engaged in violence against women activities.
- ***Transitional Housing.*** Provides housing for rural and immigrant victims of domestic violence.
- ***Tax Credit Program.*** Provides services for tax credit projects that provide safe, decent, affordable housing for low- and moderate-income persons and families in Kentucky.
- ***Other Projects.*** These funds are to be used to assist in the Women In Prison Project and prevention activities.
- ***Purple Purse Program.*** Supports financial empowerment programming and client emergency funds.

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when the liability is incurred or economic asset used.

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Presentation

KCADV presents the accompanying financial statements in accordance with Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 requires that resources be classified for reporting purposes based on the existence or absence of donor-imposed restrictions. This is accomplished by classification of fund balances into two classes of net assets: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories and the types of transactions affecting each category follow:

Without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions - Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization or the passage of time.

Cash

Cash on the statement of cash flows includes cash in bank accounts and highly liquid investments with an initial maturity of three months or less.

Restricted Cash

As required by certain contracts/agreements, a portion of KCADV's cash balance is maintained in separate bank accounts and is restricted for programs that aid domestic violence victims and their children in making positive lifestyle changes. Specific requirements from IDA 4 and 5 require separate accounts but other accounts are maintained separately at the choice of KCADV.

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. KCADV has adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, "Fair Value Measurements" applicable to financial assets.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. KCADV records micro-loan accounts receivable at net realizable value by recording an allowance for uncollectible accounts. At June 30, 2019, micro-loans receivable and other receivables are considered to be fully collectible. Accordingly, no allowance for doubtful accounts is recorded. If amounts become uncollectible, they will be charged to operations when that determination is made. Management chooses not to accrue interest on open accounts receivable regardless of the status of delinquency.

Grants Receivable

Grants receivable consists of amounts earned but not yet collected from the grantor. Grants receivable at June 30, 2019 primarily consist of grants from state general funds. KCADV considers these receivables to be fully collectible. Accordingly, no allowance for doubtful accounts is recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Capital Assets

Capitalized assets are those assets used in the operations of KCADV which have not been funded in whole or part by federal, state, or private awards. They are recorded at cost. Donated capitalized assets are carried at their fair market value. It is KCADV's policy to capitalize expenditures for these items in excess of \$1,000. Maintenance and repairs are charged to expense as incurred. Lesser amounts are expensed. Capitalized assets are being depreciated over estimated useful lives using a straight-line method with estimated service lives as follows:

Buildings	25 years
Furniture and equipment	3-15 years

Grants Payable

Grants payable consist of amounts due to subrecipients from federal and state grants.

Cafeteria Plan

Full and part-time employees are eligible to participate in a cafeteria plan. Full-time employees are eligible to receive a stipulated amount per fiscal year in credit dollars to be used within the cafeteria plan. Part-time employees can participate, but receive no credit dollar benefit. The credit dollars can be used to purchase the following benefits: health and dental insurance, medical reimbursement, dependent care reimbursement, retirement or cash option. For the year ended June 30, 2019, cafeteria plan expense totaled \$106,360.

Recognition of Donor Restrictions

KCADV reports gifts of cash and other assets as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions that are restricted by the donor whose restrictions are met in the same reporting period are reported as net assets without donor restrictions support.

Contributions used as matching funds for federal and state grants are reported as net assets with donor restrictions until the funds are reported to the grantor as matching funds. If these funds are not used to match grants, they are returned to the contributor.

Income Taxes

KCADV is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code; however, the KCADV is not exempt from tax imposed upon unrelated business income. KCADV currently has no unrelated business income and accordingly, no provision for income taxes has been recorded.

Current accounting standards require KCADV to disclose the amount of potential benefit or obligation to be realized as a result of an examination performed by a taxing authority. For the year ended June 30, 2019, management has determined that KCADV does not have any tax positions that result in any uncertainties regarding the possible impact on KCADV's financial statements. KCADV's Forms 990, *Return of Organization Exempt from Income Tax*, for the years ending 2019, 2018, and 2017, are subject to examination by the IRS, generally for three years after they are filed.

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 2 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Recent Accounting Pronouncements

Not-for-Profit Financial Statement Presentation - During 2019, KCADV adopted ASU No. 2016-14 - *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. Main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification.

Date of Management's Review

Events that occur after the statement of financial position date, but before the financial statements were available to be issued, must be evaluated for recognition or disclosure. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of KCADV through March 10, 2020 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

NOTE 3 – FAIR VALUE MEASUREMENTS

FASB ASC Topic 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC Topic 820 are described below.

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – FAIR VALUE MEASUREMENTS - continued

Investments as of June 30, 2019 consist of money market funds, stocks, mutual funds, exchange traded funds, and bond funds. These investments are valued using the market approach. The following table sets forth by level, within the fair value hierarchy, KCADV's investments at fair value at June 30, 2019:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and cash equivalents	\$ 11,149	\$ -	\$ -	\$ 11,149
Fixed income:				
Mutual funds	25,116	-	-	25,116
Exchange traded funds	72,748	-	-	72,748
Equities:				
Stocks	138,404	-	-	138,404
Mutual funds	73,490	-	-	73,490
Exchange traded funds	10,918	-	-	10,918
	<u>\$ 331,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,825</u>

KCADV recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels during the year ended June 30, 2019.

NOTE 4 – INVESTMENTS

Investments at June 30, 2019 consist of the following:

	<u>Cost</u>	<u>Market</u>	<u>Cumulative Unrealized Gain (Loss)</u>
Cash and cash equivalents	\$ 11,149	\$ 11,149	\$ -
Fixed income:			
Mutual funds	24,983	25,116	133
Exchange traded funds	70,298	72,748	2,450
Equities:			
Stocks	105,419	138,404	32,985
Mutual funds	64,907	73,490	8,583
Exchange traded funds	7,949	10,918	2,969
	<u>\$ 284,705</u>	<u>\$ 331,825</u>	<u>\$ 47,120</u>

NOTE 5 – GRANTS RECEIVABLE

As of June 30, 2019, grants receivable consist of the following:

Health and family services	\$ 179,516
Violence Against Women Act program	19,837
Kentucky Housing Corporation	54,343
Other projects	1,241,792
Transitional housing	23,182
Total grants receivable	<u>\$ 1,518,670</u>

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – CAPITAL ASSETS

Capital assets as of June 30, 2019 are summarized as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Related Debt</u>
Building	\$ 727,051	\$ 435,270	\$ 291,781	\$ 312,232
Office equipment	6,860	4,655	2,205	-
Total	<u>\$ 733,911</u>	<u>\$ 439,925</u>	<u>\$ 293,986</u>	<u>\$ 312,232</u>

NOTE 7 – MORTGAGES PAYABLE

Mortgages payable consist of the following at June 30, 2019:

Mortgage payable to Fifth Third Bank, payable in monthly installments of \$2,741, interest rate is 2.8957%, secured by building, matures in January 2029.	\$ 286,126
Mortgage payable to Kentucky Housing Corporation (KHC), payable in monthly installments of \$506, interest rate is 2.00%, secured by building, matures in January 2024.	26,106
Total mortgages payable	312,232
Less: current portion	(31,897)
Long-term portion	<u>\$ 280,335</u>

Future minimum principal payments are as follows:

	<u>Fifth Third Bank</u>	<u>KHC</u>	<u>Total</u>
2020	\$ 26,298	\$ 5,599	\$ 31,897
2021	27,005	5,713	32,718
2022	27,731	5,828	33,559
2023	28,476	5,945	34,421
2024	29,241	3,018	32,259
Thereafter	147,378	-	147,378
Total	<u>\$ 286,129</u>	<u>\$ 26,103</u>	<u>\$ 312,232</u>

NOTE 8 – RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions as of June 30, 2019 are related to the following programs:

	<u>Beginning Balance</u>	<u>Contributions and Revenue</u>	<u>Released from Restriction</u>	<u>Ending Balance</u>
IDA Program	\$ 467,556	\$ 62,459	\$ (492,939)	\$ 37,076
IDA Car Program	106,152	54,574	(104,841)	55,885
Purple Purse (See Note 15)	-	48,265	(23,819)	24,446
Conference (See Note 15)	-	128,222	(90,942)	37,280
Total	<u>\$ 573,708</u>	<u>\$ 293,520</u>	<u>\$ (712,541)</u>	<u>\$ 154,687</u>

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 9 - CONTINGENCY

KCADV participates in federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that KCADV has not complied with the rules and regulations governing these programs, refunds of any money received may be required and the collectability of any related receivable at June 30, 2019 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective programs.

NOTE 10 – PENSION PLANS

KCADV participates in a cost-sharing, multiple-employer defined benefit pension plan administered by the Kentucky Retirement System (KRS). The Kentucky Employees Retirement System (KERS) provides for retirement, disability and death benefits. The Kentucky Retirement Systems Insurance Fund (Insurance Fund) provides hospital and medical insurance benefits. Under the plans, the employee contributes 5% of his or her salary with an additional 1% from employees entering after September 1, 2008. Employees entering after January 1, 2014 are required to contribute to a cash balance portion of KERS that has attributes of both a defined benefit and defined contribution plan.

On June 30 each year, interest is credited to each employee's account at a rate determined by KRS. Upon termination, the employee may withdraw the contributions and accumulated interest from the KERS plan, but all amounts contributed to the Insurance Fund are forfeited.

KCADV pays a designated employer rate as defined yearly by state statute. Total pension plan contributions for the year ended June 30, 2019 were \$425,243. These contributions are less than 5% of the total contributions to the multiple-employer plans.

The actuarial liability is a standard disclosure measure of present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the pension's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among the plans and employers.

Additional pertinent information regarding KCADV's participation in the Kentucky Employees Retirement System is as follows:

Kentucky Employees Retirement System	Pension Fund	Insurance Fund
EIN	Unavailable	Unavailable
Plan number	1481	1481
Certified zone status as of 6/30/19	Unavailable	Unavailable
Total plan assets as of 6/30/19 (actuarial)	\$ 2,206,280,000	\$ 991,427,000
Actuarial liability as of 6/30/19	\$ 16,466,427,000	\$ 2,733,065,000
% Funded as of 6/30/19 (actuarial)	13.40%	36.28%
Total contributions received by the plan as of 6/30/19	\$ 948,866,000	\$ 173,576,000
Expiration date of collective-bargaining agreement	N/A	N/A
KCADV Employer's contributions to plan as of 6/30/19	\$ 352,951	\$ 72,292
Greater than 5% of total contributions?	No	No
Implemented funding improvement or rehabilitation plan?	No	No
Employer surcharge?	No	No
Minimum contributions requirement 6/30/19	41.06%	8.41%
Extent of employer's possible responsibility for plan obligations	Unavailable	Unavailable
KCADV total Payroll for employees covered by KERS 6/30/19	\$ 859,598	\$ 859,598

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – CONSULTING AGREEMENT

KCADV has a consulting agreement with the Housing Partnership, Inc. (HPI) and has consulted with them on the development of 48 single-family affordable housing units at various domestic violence shelter locations throughout Kentucky. KCADV is now acting on an ongoing basis as the point of contact between HPI, the property management company (Winterwood, Inc.), and the tenants.

NOTE 12 – RELATED PARTIES

KCADV has subcontracts to receive governmental funding that it passes through to other domestic violence shelters to provide primary services to domestic violence victims. Some members of the Board of Directors of KCADV are also executive directors of the domestic violence shelters that receive the pass-through funding from KCADV. Total subcontract expense paid to these domestic violence shelters for the year ended June 30, 2019 was \$10,980,038.

NOTE 13 – CONCENTRATION RISK

Approximately 92% of KCADV's support for the year ended June 30, 2019 came from government grants. Although KCADV is directly affected by economic conditions in the geographic area, management does not believe significant credit risk exists as of June 30, 2019.

Investments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

KCADV has a concentration of credit risk in that it periodically maintains cash deposits in a single financial institution in excess of amounts insured by the FDIC. KCADV has not experienced any losses on such accounts and does not believe that it is subject to significant credit risk related to the accounts.

NOTE 14 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects KCADV'S financial assets as of the balance sheet date, reduced by amounts not available for general use because of program restrictions within one year of the balance sheet date.

Financial assets at year-end	\$ 3,070,923
Less those unavailable for general expenditures within one year, due to:	
Donor-restricted for IDA 5	(37,076)
Donor-restricted for Car IDA	(55,885)
Donor-restricted for Purple Purse	(24,446)
Donor-restricted for Conference	<u>(37,280)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u><u>\$ 2,916,236</u></u>

KCADV is primarily funded by contributions and grants. Contributions and grants may contain donor imposed restrictions. KCADV generally maintains sufficient cash to meet its responsibility to donor imposed restrictions.

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 15 – PRIOR PERIOD ADJUSTMENTS

KCADV is the fiscal agent for Annual Conference to End Sexual Assault and Domestic Violence (Conference). Funds collected for the Conference belong jointly and equally to KCADV and the Kentucky Association of Sexual Assault Programs and have been previously reported as without donor restrictions. In fiscal year 2019, KCADV determined that these funds should be restricted since the funds are not able to be used for any other purpose. KCADV presents these board-designated funds as donor restricted in these financial statements as KCADV does not believe there is a material difference in presenting these funds as donor restricted or board-designated.

For several years, KCADV participated in a fund-raising opportunity (Purple Purse) sponsored by The Allstate Foundation. The funds included in Purple Purse are funds that were solicited during the month of October annually for the purpose of client/survivor emergency assistance and have been previously reported as without donor restrictions. In fiscal year 2019, KCADV determined that these funds should be restricted since the funds are not able to be used for any other purpose. KCADV presents these board-designated funds as donor restricted in these financial statements as KCADV does not believe there is a material difference in presenting these funds as donor restricted or board-designated.

NOTE 16 – NEW ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606, as amended), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in GAAP when it becomes effective and permits the use of either a full retrospective or retrospective with cumulative effect transition method. This standard becomes effective for KCADV for the year ending June 30, 2020. KCADV is currently evaluating the effect that the new standard will have on its financial statements but does not anticipate a material impact.

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which will require all leases to be recognized on KCADV's Statement of Financial Position as a right-of-use asset and a lease liability, unless the lease is a short-term lease (generally a lease with a term of twelve months or less). At the commencement date of the lease, KCADV would have to recognize: 1) a lease liability for KCADV's obligation to make payments under the lease agreement, measured on a discounted basis; and 2) a right-of-use asset that represents KCADV's right to use, or control the use of, the specified asset for the lease term. Upon adopting the ASU, KCADV will be required to recognize and measure its leases at the beginning of the earliest period presented using a modified retrospective approach. ASU 2016-02 will be effective for KCADV for the fiscal year ending June 30, 2020, with early adoption permitted. KCADV is currently evaluating the effect that the new standard will have on its financial statements.

SUPPLEMENTAL INFORMATION

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	AmeriCorps	CAPTA	Health & Family Services	Continuum of Care	Conference	DOJ Coalition	DOJ Transitional Housing	Economic Justice	Family Prevention Services	Individual Development Accounts	OVC Technology	Purple Purse	State Victims Assistance Academy	Tax Credit 569	TBRA	Microloan	VAWA	VOCA	Other Unrestricted	Total	
Bad Debt Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,807	\$ 13,807
Salaries	318,326	26,656	194,214	69,289	-	47,884	3,425	68,936	118,367	6,357	5,005	-	7,371	-	6,801	-	74,668	42,925	114,610	1,104,834	
Payroll Taxes	25,434	2,093	15,739	6,200	-	3,947	315	5,784	9,437	531	371	-	581	-	618	-	5,985	3,453	6,481	86,969	
Life Insurance	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	95	97
Employee Fringe Benefits	7,825	4,009	25,251	11,183	-	8,733	501	10,091	15,269	1,009	927	-	918	-	1,085	-	13,154	3,851	8,636	112,442	
Employee Pension Benefits	13,128	8,215	257,747	17,952	-	14,807	1,011	20,933	32,726	1,973	1,589	-	2,221	-	1,756	-	23,528	8,060	19,597	425,243	
Workers Compensation	5,307	43	818	345	-	230	30	298	463	34	8	-	81	-	33	-	302	264	637	8,893	
Contract Personnel - Fees	-	15,134	46,057	-	7,090	4,044	-	31,243	12,228	-	-	-	32,562	-	-	-	-	66,000	14,975	229,333	
Contract Personnel -Travel	-	-	44	-	-	-	-	-	-	-	-	-	1,170	-	-	-	-	-	-	1,214	
Audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,250	18,250	
Subcontracts	-	-	10,540,688	-	-	-	54,053	9,910	-	-	-	-	-	-	-	-	-	375,387	-	10,980,038	
Client/Survivor Emergency Fund	-	-	-	-	-	-	7,211	500	-	4,394	-	36,397	-	-	-	-	-	7,500	-	56,002	
Housing Assistance	-	-	-	255	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	255	
Travel	9,483	1,101	7,979	7,347	14,970	4,927	3,006	3,945	7,577	7,119	-	-	535	-	453	-	989	3,244	11,011	83,686	
Rental Fees	1,788	-	-	-	-	-	-	250	335	-	-	-	-	-	-	-	-	-	-	335	
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,743	
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,509	
Communications	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,361	
Supplies	1,909	-	1,623	265	10,630	61	137	8,306	1,089	-	-	-	543	10,996	-	-	3	79	17,634	53,275	
Postage	22	-	234	-	-	-	-	95	63	57	-	-	-	-	-	-	-	19	5,582	6,072	
Copying	-	-	-	-	-	-	-	20	-	-	-	-	-	-	-	-	139	-	9,842	10,001	
Printing	-	-	1,330	-	5,878	-	-	2,042	-	-	-	-	464	-	-	-	-	-	1,050	10,764	
Maintenance & Repairs	-	-	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,538	24,542	
Dues & Subscriptions	-	-	8,679	-	44	-	-	882	6,651	2,860	-	18	-	-	-	-	1,267	360	17,055	37,816	
Fees	3,822	300	26,524	3,425	650	1,065	-	11,180	6,324	4,076	-	-	-	-	-	-	-	36,934	10,067	104,367	
Insurance	15,168	-	5,123	-	-	-	-	23	1,541	-	-	-	-	-	-	-	-	-	10,837	32,692	
Miscellaneous	707	-	-	445	183	-	-	3,158	-	860	-	-	-	-	-	-	-	-	33,614	38,967	
Food	697	-	12,035	162	61,809	6	-	2,211	5,416	-	-	550	-	-	-	-	-	-	8,202	91,088	
Audio Visual	-	-	-	-	6,207	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,207	
Contributions - Other	-	-	-	281,119	-	-	-	-	-	111,341	-	-	-	-	105,638	9,708	-	-	200	508,006	
Client Portion - Other	-	-	-	-	-	-	-	-	-	103,425	-	-	-	-	-	-	-	-	-	103,425	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,164	12,164	
Computer Hardware	-	-	-	1,556	-	-	-	-	7,915	-	-	-	-	-	-	-	-	-	2,631	12,102	
Computer Software	3,000	-	-	-	-	-	-	-	106	-	-	-	-	-	-	-	-	-	-	3,106	
Total	\$ 406,616	\$ 57,551	\$ 11,144,090	\$ 399,544	\$ 107,461	\$ 85,704	\$ 69,689	\$ 179,807	\$ 225,507	\$ 244,036	\$ 7,900	\$ 36,965	\$ 46,446	\$ 10,996	\$ 116,384	\$ 9,708	\$ 120,035	\$ 548,076	\$ 421,463	\$ 14,237,978	

See accompanying independent auditors' report and notes to financial statements.

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

<u>Federal Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Contract Number</u>	<u>Federal Expenditures</u>	<u>Subrecipient Expenditures</u>
U.S. Department of Health and Human Services				
Direct Program:				
Assets for Independence Development	93.602	90EE0848-01-00	\$ 34,307	\$ -
Family Violence Prevention and Services Act - Grant to Coalitions	93.591	1801KYSYDVC	175,960	-
Family Violence Prevention and Services Act - Grant to Coalitions	93.591	1701KYSYDVC	110,661	-
CFDA Total			286,621	-
Passed through the Kentucky Cabinet of Health and Family Services:				
Family Violence Prevention and Services Act	93.671	PON2-736-1800001942 1	1,580,555	1,465,471
Temporary Assistance for Needy Families	93.558	PON2-736-1800001942 1	2,210,740	2,210,740
Social Services Block Grant	93.667	PON2-736-1800001942 1	171,705	-
CFDA Total			4,963,000	4,676,951
Passed through the University of Kentucky				
Children's Justice Act	93.643	3210000967-19+115	63,305	-
CFDA Total			63,305	-
Corporation for National and Community Based Service				
AmeriCorps	94.006	PON2-730-1800000078	29,526	-
AmeriCorps	94.006	PON2-730-1900002226	217,992	-
AmeriCorps -Surge Funding	94.006	PON2 730 1900003540	1,097	-
CFDA Total			248,615	-
Total U.S. Department of Health and Human Services			4,595,848	3,676,211
U.S. Department of Housing and Urban Development				
Passed through the Kentucky Housing Corporation:				
HOME Tenant-Based Rental Assistance	14.239	TB17-01469-01	113,997	-
Continuum of Care Program	14.267	KY0163L4I001601	55,703	-
Continuum of Care Program	14.267	KY0163L4I001702	70,318	-
Continuum of Care Program	14.267	KY0154L4I001601	100,012	-
Continuum of Care Program	14.267	KY0154L4I001702	152,113	-
CFDA Total			378,146	-
HUD Emergency Solutions Grant	N/A	N/A	23,075	-
Total U.S. Department of Housing and Urban Development			515,218	-
U. S. Department of Justice				
Direct Program:				
Office on Violence Against Women	16.736	2017-WH-AX-0067	83,426	54,053
Office on Violence Against Women	16.556	2017-DW-AX-0014	108,930	-
CFDA Total			192,356	54,053
Passed through the Kentucky Justice and Public Safety Cabinet:				
Crime Victim Assistance-Academy	16.582	SV AA-2017-KYDomesti-00006	59,032	-
Crime Victim Assistance-Evaluation	16.575	VOCA-2017-KYDomesti-00092	17,952	-
Crime Victim Assistance-Evaluation	16.575	VOCA-2018-KY Domesti-00075	28,937	-
CFDA Total			105,921	-
Victims of Crimes Act-Monitoring	N/A	PON 2 500 1800000193 1	55,820	-
Victims of Crimes Act - Special Projects	N/A	VOCA-2017-KY Domesti-00145	466,982	-
Violence Against Women -STOP Formula Grant	16.588	VAWA-2017-KYDomes-00559	55,170	-
Violence Against Women -STOP Formula Grant	16.588	VAWA-2018-KYDomes-00598	65,553	-
Violence Against Women -Conference	16.588	VAWA-2017-KYDomes-00598	16,000	-
CFDA Total			1,126,357	-
Trauma -Informed Data Collection and Quality	N/A	DG-2018+KY Domes-00009	10,086	-
CFDA Total			959,144	-
Total U.S. Department of Justice			967,888	54,053
Total Federal Financial Assistance			\$ 6,078,954	\$ 3,730,264

See accompanying independent auditors' report and notes to SEFA.

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Kentucky Coalition Against Domestic Violence, Inc. (KCADV) under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of KCADV, it is not intended to and does not present the financial position, changes in net assets, or cash flows of KCADV.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. KCADV has elected not to use the 10% *de minimis* indirect cost rate allowed under the Uniform Guidance.

BESTEN & DIERUF PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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 Board of Directors
Kentucky Coalition Against Domestic Violence, Inc.

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 Kentucky Coalition Against Domestic Violence, Inc. (KCADV) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 10, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered KCADV'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 KCADV's internal control. Accordingly, we do not express an opinion on the effectiveness of KCADV's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether KCADV's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

-continued-

Purpose of this Report

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

A handwritten signature in blue ink that reads "Besten + Dief, LLC". The signature is written in a cursive, flowing style.

Lexington, Kentucky
March 10, 2020

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

To the Board of Directors
Kentucky Coalition Against Domestic Violence, Inc.

Report on Compliance for Each Major Federal Program

We have audited Kentucky Coalition Against Domestic Violence, Inc.'s (KCADV) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of KCADV's major federal programs for the year ended June 30, 2019. KCADV's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of KCADV's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KCADV's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, KCADV 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, 2019.

Report on Internal Control Over Compliance

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

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

-continued-

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

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

A handwritten signature in blue ink that reads "B. Eaton + D. Dief, LLC". The signature is written in a cursive, flowing style.

Lexington, Kentucky
March 10, 2020

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2019

1) SUMMARY OF AUDITORS' RESULTS

- a) The type of report issued on the basic financial statements: UNMODIFIED OPINION
- b) Significant deficiencies in internal control over financial reporting: NO
- c) Material weakness in internal control over financial reporting: NO
- d) Noncompliance that is material to the basic financial statements: NO
- e) Significant deficiencies in internal control over compliance for major federal awards programs disclosed: NONE REPORTED
- f) Material weaknesses in internal control over compliance for major federal awards programs disclosed: NO
- g) The opinion expressed in the independent auditors' report on compliance for major federal awards: UNMODIFIED OPINION
- h) The audit disclosed findings required to be reported by 2 CFR 200.516(a): NO
- i) Major Programs:
 - Department of Housing and Urban Development – Continuum of Care Program - CFDA No. 14.267
 - Department of Health and Human Services – Temporary Assistance for Needy Families - CFDA No. 93.558
- j) Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
- k) Auditee qualified as a low-risk auditee: YES

2) Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*: NONE

3) Findings required to be reported by the Uniform Guidance: NONE

KENTUCKY COALITION AGAINST DOMESTIC VIOLENCE, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019

1) NONE NOTED