

Kentucky Equal Justice Center Board

December 12, 2019

[Wyatt, Tarrant and Combs](#), 250 West Main Street, Suite 1600, Lexington

Agenda

11:00 Executive Session on Director's Salary

11:15 Welcome and Introductions

- Highlights of Recent Activity
- Approval of Minutes

11:30 Administration and Development

- Financial Report and Development Update through November
- IRS 990 for 2018
- Audit Committee Report
- Proposed 2020 Budget
 - Salary Comparability Update

12:15 Working Lunch

12:30 Governance

- Staff Reps Election Results
- Strategic Planning Update
- Consideration of Executive Committee
- Personnel Committee Update
- Report of the Legal Work Oversight Committee
- Conflict of Interest Form Updates
- Proposed Meeting Dates 2020

1:10 Big Picture: Access to Justice Commission

- Glenda Harrison and Nan Hanley

1:20 Staff and Partner Reports

- Impact Litigation and Advocacy
- Outreach: On the Ground and In the Air
- Partner Reports

1:55 Announcements

2:00 Adjournment

Kentucky Equal Justice Center

Board Minutes

September 27, 2019

Board Members Present: Hailey O'Hair (Client Member); Robert Brown, Rick Clewett, Lisa Gabbard, John Rosenberg (Community Members); Joshua Crabtree, Neva-Marie Polley Scott, Robert Johns (Program Directors); Brenda Combs, Angela Zeek (Staff Reps).

KEJC Staff: Miranda Brown, McKenzie Cantrell, Ben Carter, Maddy Clark, Nathalie Dietrich, Leah Engle, Allison Hight, Adam Kuhn, Rich Seckel, Betsy Davis Stone.

Welcome and Introductions

A quorum being present, Chair Bob Brown called the meeting to order, welcomed the group and invited attendees to introduce themselves. Director Rich Seckel welcomed new board Community Member Lisa Gabbard, noting that she continued a tradition of having a representative from Kentucky Coalition Against Domestic Violence on the board.

Rich said he had held a board orientation call with Lisa and was impressed that she had read lots of materials on the KEJC website. Lisa said she was delighted to join the board and looked forward to her new role. Rich also welcomed KEJC Food Justice Fellow Tyler Offerman, who had joined the program on August 23. Tyler introduced himself briefly and greeted the group.

Approval of Minutes

Chris invited a motion on the minutes of the last meeting.

Motion:	John Rosenberg moved to approve the minutes of the July 11, 2019, board meeting.
Second:	Joshua Crabtree
Action:	Approved unanimously

Highlights of Recent Activity: New Staff and General Assembly

Bob recognized KEJC Director Rich Seckel to share highlights of recent activity and a preview of the General Assembly. Rich reported first on the Food Justice Fellowship, as follows:

Food Justice Fellow: Rich said that, since the last meeting, KEJC had completed the hiring process for a new staffer funded by MAZON Foundation to build coalition activity and policy advocacy focused on ending hunger in Kentucky.

He again welcomed Food Justice Fellow Tyler Offerman, who had come to KEJC after three years at Kentuckians for the Commonwealth building support on tax and budget issues. Rich

said the capsule job description for the Fellow, as set out in the grant proposal, was “policy smart coalition organizer.”

Rich noted that at the last meeting he had pledged to share KEJC staff thoughts about issues and priorities in the 2020 General Assembly. He set the stage for the discussion by observing that the 2020 Session would be a 60-day, budget-making Session. Rich said the two candidates for Governor had different philosophies and priorities, with implications for multiple issues affecting low income and working Kentucky families—Medicaid, teachers, schools, pensions and immigration among them.

Regarding advocacy priorities, Rich said that long ago KEJC did detailed surveys of legal services program staff to determine high priority issues. He said that after the 1995 Congress imposed more restrictions on lobbying by programs, it no longer made sense to have a process in which legislative priorities appeared to be controlled by votes from the programs.

Rich added that survey results in reality had always been balanced with multi-factor judgments about impact, support from allies, potential legislative champions and more. He said that today KEJC drew on multiple touchstones to identify issues: task force discussions; calls from the programs about recurring problems; guidance from trusted national partners; and discussions with state allies and community partners.

Rich said that most substantive areas of KEJC legislative and administrative advocacy fell within longstanding subject matter areas of statewide legal services task forces: health and public benefits, consumer, housing, and family law. He said KEJC’s grounding in immigration law services through Maxwell Street Legal Clinic brought immigration issues into the mix. He said the Workers’ Rights Task Force connected KEJC with diverse non-legal aid partners.

Rich said one set of new and emerging issues for KEJC came at the intersection of civil and criminal law, including support for re-entry, bail reform and improvement in expungement fees. He then highlighted a handful of policy topics the program might work on including:

- Surprise medical bill protection (unless federal proposals took the wind out of state sails)
- Due process in collection of UK Hospital debt by the Department of Revenue
- Exemptions in debt collection and garnishment
- Expungement fees
- Statewide Uniform Residential Landlord Tenant Act (a long shot)
- New attempts to diminish UI benefits

Rich said one bright spot was potential bipartisan support for a bill to end the current ban on drug felons receiving SNAP, an item that fit the re-entry theme. More troubling, the legislative Public Assistance Reform Task Force—with a report due before the Session—might recommend new barriers to K-TAP, SNAP and Medicaid, including work requirements, photo IDs, drug testing and more.

Bob Brown asked for details on the debt collection exemptions. Ben said that a new report to be issued soon by National Consumer Law Center would show that Kentucky got an “F” in how

much of earnings, bank accounts and the value of homes was protected in debt collection. Ben said that “the state is using criminal penalties to extract cash from predominantly poor people.” Bob said he was interested in issues of criminal forfeiture of assets.

Bob also took the opportunity to pass along compliments he had received about KEJC’s policy advocacy, saying the program was seen by seasoned observers in Frankfort as constructive, competent and effective in its work.

Administration and Development: Financial Report and Development Update

Rich reviewed the cover sheet for the financial report, as follows:

Profit and Loss Budget Overview FY 2019: anticipated a loss of - \$59,389 offset by \$80,000 in advance Public Welfare grant funds.

Profit and Loss through August 31: showed a gain of \$26,800 compared to an expected loss of -\$46,183—a positive variance of \$72,983.

Balance Sheet as of August 31: showed Total Current Assets of \$387,636, down from \$430,146 on June 30 and up 50.54 percent from \$257,505 on August 31, 2018.

Income and Expense Charts: 81.67% of spending was payroll. 66.48% of income was from grants.

Rich said that he had revised his end-of-year carryover forecast slightly to \$345,971 in order to take into account projected year-end balances of \$42,689 in new grants.

Rich said that estimated unrestricted assets had declined slightly from \$54,011 at the end of June to \$48,144 at the end August, in part reflecting a normal mid-year slump in unrestricted donations. He noted that his goal had been to keep unrestricted assets at 10 percent of budget. He said the goal had proven elusive, especially with the large VOCA grant now raising the denominator and requiring cash match.

For several years, Rich said, the plan had been to build unrestricted assets above 10 percent of budget and then invest the excess above 10 percent in development and a deeper administrative bench. Rich said that KEJC might need a new strategy to invest in new things, including a more aggressive approach to building operations into grants and a search for capacity-building grants.

Rich said the picture might change mid-2020, if and when Public Welfare Foundation made good on its promised transition support as its worker’s rights project ended. The Foundation president had told Rich that KEJC would receive a \$250,000 transition grant. Rich said that she and the program’s grant officer seemed to like the idea of using part of the transition grant to build development capacity.

Rich said that the Foundation for a Healthy Kentucky “Boots on the Ground” grant had now been paid. He said the grant award was retroactive to April 1, the day after previous grant year

ended, so that KEJC recouped what it had spent out of pocket. He said KEJC had fronted the money in the meantime as new staff at the Foundation worked through their review process.

Turning to the Budget vs. Actual figures, Rich said income was running at 104.9% of budget and expense at 93.7%, a favorable ratio. He said the low spending figure was brought about mainly by the temporary vacancy in the Health Law Fellowship. He said another factor was the sub-grant KEJC paid to the legal aid programs under the “Boots” grant. He said he had held off paying it until the Boots money was in hand.

Good news on income, Rich said, came from a series of new grants that had not been in the base budget. Rich said they were easy to spot among the income lines on the Budget vs. Actual page because they had a zero budget amount but a positive actual. He said the biggest one was MAZON Foundation support for the Food Justice Fellowship (\$64,712).

Rich said that the balance sheet now included the value of equipment purchases made in 2018 and depreciation for equipment for the year ending December 31, 2018.

Rich said unrestricted reserves would last 0.65 months if the program received no new income and lived solely off its unrestricted funds, down slightly from 0.73 months at the end of June. He said total reserves would last 5.22 months, again down slightly. The figures were set out in a spreadsheet, with the trends illustrated in a chart.

Rich’s handout on “KEJC Recent Fundraising Effort” showed \$620,962 sought so far in 2019, with \$398,669 awarded (64%) and one large grant still pending: the VOCA grant (\$215,426 in federal funds). Rich said that award of the VOCA funds would bring KEJC close to 100 percent in effective return.

Rich said he had made a good run at pulling off a Maxwell Street 20th anniversary event on November 14 at the Lyric Theatre, but ultimately decided it was too much of a stunt to do it. He said that a later date in March or April, past the holiday fund-raising season, would be better. The good news, he said, was that he had met with consultants who could help plan and carry off the event, including:

- An event planner recommended by former KEJC director Rona Roberts
- An fundraising assistant recommended by Tyler

Rich noted that the event planner had made clear that the event would require staff and volunteer help beyond just her and Rich. He said he was pleased with staff response about helping the “day of.”

Rich said that the ticket price for the Maxwell Street event was still under consideration. He said that in 2009, staff and volunteers for the Maxwell Street 10th anniversary wanted to set the price at \$75, perhaps because funding was short. Rich said he would consider a lower price this time or a simpler alternative event geared to friends and family rather than donors.

Administration and Development: Audit and 990 FY 2018

Rich said he had compiled and delivered the materials requested by auditor Vickie Richardson. He said the KEJC 990 would be prepared, circulated to the board and filed by the November 15 deadline. He said the audit would be finalized shortly thereafter for review first by the KEJC Audit Committee and then by the board.

Administration: Proposed Budget Assumptions for 2020

Bob next invited Rich to address plans for the 2020 budget. Rich said he had included a one page sheet of “KEJC Proposed Budget Assumptions for 2020” in the board package. He said he wanted to review the assumptions with the Board before using them as guidelines to prepare a budget for the coming year.

The first budget assumption laid a foundation for the budget process, stating that the “goal is to make a budget than can be paid for with known or predictable income while maintaining unrestricted reserves of about 8 percent of budget.

Rich said he had lowered the reserve percentage from 10 percent to 8 in light of the big new VOCA figure in the denominator. Additional assumptions:

- Identified a core staff of Director, Senior Staff Attorney and Maxwell Street attorney who could be paid for by grants, unrestricted income or reserves above the target
- Specified that workers’ rights, health, outreach, VOCA and communications positions were grant funded
- Said that KEJC would pursue the sustainability plan it had submitted to CLINIC for the DOJ Accredited Rep position
- Said that Maxwell Street Legal Assistants would be paid from Maxwell Street grants or unrestricted Maxwell Street income
- Proposed that, to the extent permitted, new grant proposals would include funding for communications, development and administrative assistance
- Called for numerical goals for both fundraising and reserves

Item 10 said that staff salary increments would take into account findings of the board committee on salary comparability as set out in sample salary scales, with a target increase of 2% and a goal to update the scales during the year in preparation for FY 2021. Rich said he had begun to gather salary scales from the programs for the comparability study and might propose some initial adjustments based on what he saw.

Neva Polley Scott said that for her program, Legal Aid Society (Louisville), she had reached out to legal services programs for salary comparability data. Rob Johns of AppalRed said that the Legal Services Corporation made available useful data in its online fact book. Josh Crabtree said that Legal Aid of the Bluegrass had hired a consultant to help develop new salary scales.

Bob Brown observed that the value of benefits packages was a factor in comparability. Josh said that the Legal Aid of the Bluegrass study found that no one was underpaid and that benefits were good, but that entry and early year salaries should be brought up.

Governance and Strategic Planning: Staff Reps Election Process

Bob next recognized Rich to address the election process for Staff Reps from the legal services programs to the KEJC board. Rich said Staff Reps were nominated and elected by their peers in the programs once every two years. He said the two year terms of current Staff Reps were nearing their end. He said would soon post a call for nominations followed by an online voting process to be completed by the next board meeting in December.

During discussion, members of the board revisited the idea of forming Executive Committee to work with Rich in between meetings. John Rosenberg noted that all the LSC-funded programs in the state had executive committees. He said the composition was often the officers plus the immediate past chair and a representative or two from the board at large.

Several members endorsed the idea of the Executive Committee, while adding that the intent was not to micro-manage the program. Member Rick Clewett said an Executive Committee could help and advise Rich with “mid-level” matters that did not need the attention of the full board. Rich said he would look at what the bylaws required for creation of a new committee and review ideas for next steps with Bob before the next meeting.

Governance and Strategic Planning: Strategic Planning Proposal

Rich said that KEJC’s last strategic planner, Karen Rignall, was up for tenure this year at UK and therefore felt she wouldn’t have time to assist with the new round of planning. Rich said that Karen had recommended several people, that he had spoken to one and that she in turn had prepared a preliminary proposal and an estimate for consideration.

Rich said he liked the proposal, which called first for an assessment of the current plan and performance, to be followed by participatory planning and crafting of the new plan. He said the estimated total fee for both phases exceeded \$10,000. Members weighed in on the cost. After energetic discussion, a consensus appeared to emerge that the rate was within market expectations and the value of planning worth it.

Several other points were raised during the discussion. Josh said that his program had done an LSC-mandated needs assessment as a prelude to strategic planning. He said the plan in turn was developed in house, taking up several hundred hours of his time. Josh said the needs assessment “kind of wrote the strategic plan.”

Neva noted that her predecessor Jeff Been had used consultants from the Kent School of Social Work at U of L. Josh said that his program’s “gaps in services” report drew on the Center for Economic Analysis, with staffing by a Kennedy School graduate student. Chair Bob Brown suggested that Rich work with the consultant to fine tune the proposal, perhaps to whittle down the number of planning sessions from four to a lesser number.

Governance and Strategic Planning: Report of the Personnel Policy Committee

Committee Chair Neva Scott said that the committee had recognized the need for outside legal analysis and recommendations as a foundation for the update of the policies. She said that having a foundation of compliance and best practice set out by outside counsel would leave the committee room to consider discretionary elements of the policy.

Josh Crabtree said that Kathleen Carnes of Dinsmore and Northern Kentucky University had done a good job reviewing personnel policies for Legal Aid of the Bluegrass for a reduced rate. Rich said that he would contact her before the next board meeting to explore potential work for KEJC.

Governance and Strategic Planning: Report of the Legal Work Oversight Committee

In the absence of committee chair Chris Frost, there was no formal report from the committee. Instead, Senior Counsel Ben Carter brought the board up to date on KEJC's internal staff-based Legal Work Committee. Ben said the committee had met and paged through KEJC's professional liability policy as a touchstone for current—and sound—practice.

Ben said he had obtained from Rob the latest AppalRed case acceptance policies and had begun to adapt them for KEJC. He said the internal work group favored the idea of setting aside asset tests, in part to be consistent with KEJC's advocacy on public benefits. Ben said the draft policy would allow KEJC to represent people at higher income levels if the issues and resolution in their cases would help low income people, as might often be the case in addressing medical debt.

Next Meeting Date

Rich said the next meeting was scheduled for December 12.

Staff Reports Summaries

KEJC staff reported on activities, issues, projects and successes. The reports followed the new format begun in 2018, featuring fewer but longer reports and allowing more time for board discussion. The topics at the current meeting included:

- a Public Benefits Catchup, with details from Betsy, Miranda and Tyler
- an update on Maxwell Street Legal Clinic

No board action was required in response. For more detail, see written staff reports—including reports from other staff—on the KEJC board web page under the September 27, 2019, heading at: <https://www.kyequaljustice.org/board-meetings>

Adjournment

Motion: Brenda Combs moved to adjourn the meeting.
Second: John Rosenberg

Action: Approved by acclamation.

Reported by:

Richard J. Seckel, Director
December 7, 2019



Kentucky Equal Justice Center
201 W. Short Street, Suite 310
Lexington, KY 40507

T: 859-233-3057
F: 859-233-0007

Memorandum

DATE: December 3, 2019
TO: Kentucky Equal Justice Center Board
FROM: Rich Seckel, Director
RE: Financial Report through November 2019

The following financial reports are attached:

Profit and Loss Budget Overview FY 2019: anticipates a loss of -\$59,389 offset by \$80,000 in advance Public Welfare grant funds.

Profit and Loss through November 30: shows a loss of -\$21,995 compared to the expected loss of -\$53,453—a positive variance of \$31,459.

Balance Sheet as of November 30: shows Total Current Assets of \$338,245, down from \$387,636 on August 31 and up 1.3% percent from \$333,914 on November 30, 2018.

Income and Expense Charts: 82.31% of spending was payroll. 65.11% of income was from grants.

Revised Carryover Prediction: Projected vs. Actual Year End Balance

Total Current Assets November 30	\$338,245
Average Month's Expense	- 71,579
Projected grants and donations	+ 82,000
Projected Current Assets December 31, 2019	\$348,666

Unrestricted Funds

Audited	12/31/12	\$24,254
Audited	12/31/13	\$66,405
Audited	12/31/14	\$87,994
Audited	12/31/15	\$93,513
Audited	12/31/16	\$103,392
Audited	12/31/17	\$101,516
Estimated	12/31/18	\$69,964
Estimated	3/31/19	\$51,003
Estimated	6/30/19	\$54,011
Estimated	8/31/19	\$48,144
Estimated	11/30/19	\$51,960

KEJC Unrestricted Funds Balance

November 30, 2019

	Balance
Total Current Assets	335,745.14

Restricted Funds

AILA Midsouth	188.31
BGCF Citizenship	12,959.82
BGCF On the Table	171.48
Catholic Diocese of Lexington	0.00
Center for Responsible Lending	0.00
CLASP Immigrant Families	14,841.38
CLASP ASAP	4,000.00
Fayette County Bar Foundation	0.00
Foundation for a Healthy KY Boots	17,453.80
Health Law Fellowship	31,702.52
Health Law Match Challenge	20,881.59
Health Gains Communications	16,160.60
Kentucky Bar Foundation	6,288.04
KCEP Solidarity Giving	12,308.62
KCET Civic Engagement	1,664.50
LIN CCC	1,625.60
MAZON Food Justice	44,211.23
Mason Fund	77,772.28
NHeLP Health Defense	-4,327.90
Public Welfare Foundation	52,991.30
United Way of the Bluegrass	6,883.03

Total Restricted	317,776.20
Subtotal Unrestricted	17,968.94

Obligated Funds

Client Trust	5,911.00
Client Funds	1,920.00
Undistributed Attorneys Fees	3,991.00

Total Unrestricted	21,959.94
---------------------------	------------------

Unrestricted Payable

Good Giving net estimate 12/3	30,000.00
Total Unrestricted	51,959.94

Kentucky Equal Justice Center

Profit & Loss Budget Overview

January through December 2019

	<u>Jan - Dec 19</u>
Ordinary Income/Expense	
Income	
Grants	489,063.00
In-kind Contributions	20,400.00
Miscellaneous Income	25,000.00
Other Donations	82,000.00
Program Income	180,000.00
Program Services	35,840.00
Total Income	832,303.00
Expense	
Audit	4,650.00
Capital Additions	4,500.00
Case Management	7,860.00
Consultants	15,040.00
Contract Labor	9,200.00
Dues	4,255.00
Equipment Rental	5,812.56
Insurance	8,677.00
Library	2,100.00
Litigation expense	3,300.00
Miscellaneous	1,980.00
Office Supplies	10,320.00
Payroll Expenses	706,015.77
Postage and Delivery	4,062.00
Printing and Reproduction	7,656.00
Professional Fees	300.00
Rent	44,150.00
Repairs	720.00
Task Forces and Meetings	3,840.00
Telephone	16,222.40
Travel	31,211.00
Total Expense	891,871.73
Net Ordinary Income	-59,568.73
Other Income/Expense	
Other Income	
Interest Income	180.00
Other Income	0.00
Total Other Income	180.00
Net Other Income	180.00
Net Income	-59,388.73

Kentucky Equal Justice Center
Profit & Loss
January through November 2019

	Jan - Nov 19
Ordinary Income/Expense	
Income	
Grants	498,458.02
In-kind Contributions	16,550.08
Miscellaneous Income	-216.00
Other Donations	29,170.33
Program Income	180,000.00
Program Services	18,109.92
Total Income	742,072.35
Expense	
Capital Additions	3,526.91
Case Management	3,203.00
Consultants	10,855.00
Contract Labor	2,400.00
Dues	3,722.70
Equipment Rental	4,458.34
Insurance	6,970.40
Library	2,060.57
Litigation expense	5,908.25
Miscellaneous	1,087.66
Office Supplies	11,189.37
Payroll Expenses	648,090.05
Postage and Delivery	4,642.57
Printing and Reproduction	4,580.33
Rent	34,972.00
Repairs	220.74
Task Forces and Meetings	3,333.39
Telephone	13,102.25
Travel	23,050.04
Total Expense	787,373.57
Net Ordinary Income	-45,301.22
Other Income/Expense	
Other Income	
Interest Income	104.66
Other Income	23,202.01
Total Other Income	23,306.67
Net Other Income	23,306.67
Net Income	-21,994.55

Kentucky Equal Justice Center
Profit & Loss Budget vs. Actual
January through November 2019

	Jan - Nov 19	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
Grants				
Blue Grass Community Foundation	17,000.00	14,000.00	3,000.00	121.43%
Catholic Diocese of Lexington	5,125.00	4,500.00	625.00	113.89%
Center for Responsible Lending	5,000.00	0.00	5,000.00	100.0%
CLASP PIF	20,000.00	0.00	20,000.00	100.0%
Fayette County Bar Foundation	0.00	6,000.00	-6,000.00	0.0%
FHKY RHP Boots	50,000.00	50,000.00	0.00	100.0%
Health Gains Communications	20,000.00	20,000.00	0.00	100.0%
HFGC Health Law Fellowship	90,000.00	90,000.00	0.00	100.0%
KCEP Solidarity Giving	25,000.00	0.00	25,000.00	100.0%
KCET	2,670.00	0.00	2,670.00	100.0%
Kentucky Bar Foundation	11,000.00	8,000.00	3,000.00	137.5%
Louisville Bar Foundation	0.00	4,800.00	-4,800.00	0.0%
MAZON Food Justice	64,712.00	0.00	64,712.00	100.0%
NHeLP Health Law Defense	0.00	40,000.00	-40,000.00	0.0%
Restricted	0.00	22,000.00	-22,000.00	0.0%
United Way of the Bluegrass	12,960.00	16,000.00	-3,040.00	81.0%
Unrestricted	0.00	1,650.00	-1,650.00	0.0%
VOCA Justice Cabinet	170,991.02	185,592.00	-14,600.98	92.13%
Grants - Other	4,000.00			
Total Grants	498,458.02	462,542.00	35,916.02	107.77%
In-kind Contributions	16,550.08	18,700.00	-2,149.92	88.5%
Miscellaneous Income	-216.00	25,000.00	-25,216.00	-0.86%
Other Donations	29,170.33	48,000.00	-18,829.67	60.77%
Program Income	180,000.00	180,000.00	0.00	100.0%
Program Services	18,109.92	32,854.00	-14,744.08	55.12%
Total Income	742,072.35	767,096.00	-25,023.65	96.74%
Expense				
Audit	0.00	4,650.00	-4,650.00	0.0%
Capital Additions	3,526.91	4,500.00	-973.09	78.38%
Case Management	3,203.00	7,860.00	-4,657.00	40.75%
Consultants	10,855.00	14,620.00	-3,765.00	74.25%
Contract Labor	2,400.00	8,934.00	-6,534.00	26.86%
Dues	3,722.70	4,025.00	-302.30	92.49%
Equipment Rental	4,458.34	5,328.18	-869.84	83.68%
Insurance	6,970.40	8,677.00	-1,706.60	80.33%
Library	2,060.57	1,925.00	135.57	107.04%
Litigation expense	5,908.25	3,025.00	2,883.25	195.31%
Miscellaneous	1,087.66	1,815.00	-727.34	59.93%
Office Supplies	11,189.37	9,460.00	1,729.37	118.28%
Payroll Expenses	648,090.05	646,721.20	1,368.85	100.21%
Postage and Delivery	4,642.57	3,723.50	919.07	124.68%
Printing and Reproduction	4,580.33	7,018.00	-2,437.67	65.27%
Professional Fees	0.00	300.00	-300.00	0.0%
Rent	34,972.00	40,470.84	-5,498.84	86.41%
Repairs	220.74	660.00	-439.26	33.45%
Task Forces and Meetings	3,333.39	3,520.00	-186.61	94.7%
Telephone	13,102.25	14,870.54	-1,768.29	88.11%
Travel	23,050.04	28,611.00	-5,560.96	80.56%
Total Expense	787,373.57	820,714.26	-33,340.69	95.94%
Net Ordinary Income	-45,301.22	-53,618.26	8,317.04	84.49%
Other Income/Expense				
Other Income				
Interest Income	104.66	165.00	-60.34	63.43%
Other Income	23,202.01	0.00	23,202.01	100.0%
Total Other Income	23,306.67	165.00	23,141.67	14,125.26%
Net Other Income	23,306.67	165.00	23,141.67	14,125.26%
Net Income	-21,994.55	-53,453.26	31,458.71	41.15%

Kentucky Equal Justice Center

Balance Sheet

As of November 30, 2019

	<u>Nov 30, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
Chase Checking	94,814.17
Chase IOLTA	3,620.00
Chase Savings	115,176.36
Vanguard Brokerage	<u>77,772.28</u>
Total Checking/Savings	291,382.81
Accounts Receivable	
Accounts Receivable	<u>46,862.33</u>
Total Accounts Receivable	<u>46,862.33</u>
Total Current Assets	338,245.14
Other Assets	
Accumulated Depreciation - Comp	-54,467.90
Computer and Phone Equipment	61,408.37
Rental Deposit	<u>715.00</u>
Total Other Assets	<u>7,655.47</u>
TOTAL ASSETS	<u>345,900.61</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Client Trust Funds	5,911.00
Direct Deposit Liabilities	-812.56
Payroll Liabilities	<u>785.82</u>
Total Other Current Liabilities	<u>5,884.26</u>
Total Current Liabilities	5,884.26
Long Term Liabilities	
Accrued leave	<u>33,152.40</u>
Total Long Term Liabilities	<u>33,152.40</u>
Total Liabilities	39,036.66
Equity	
Opening Bal Equity	52,900.79
Retained Earnings	99,164.21
Temporarily Restricted Net Asse	176,793.50
Net Income	<u>-21,994.55</u>
Total Equity	<u>306,863.95</u>
TOTAL LIABILITIES & EQUITY	<u>345,900.61</u>

Kentucky Equal Justice Center

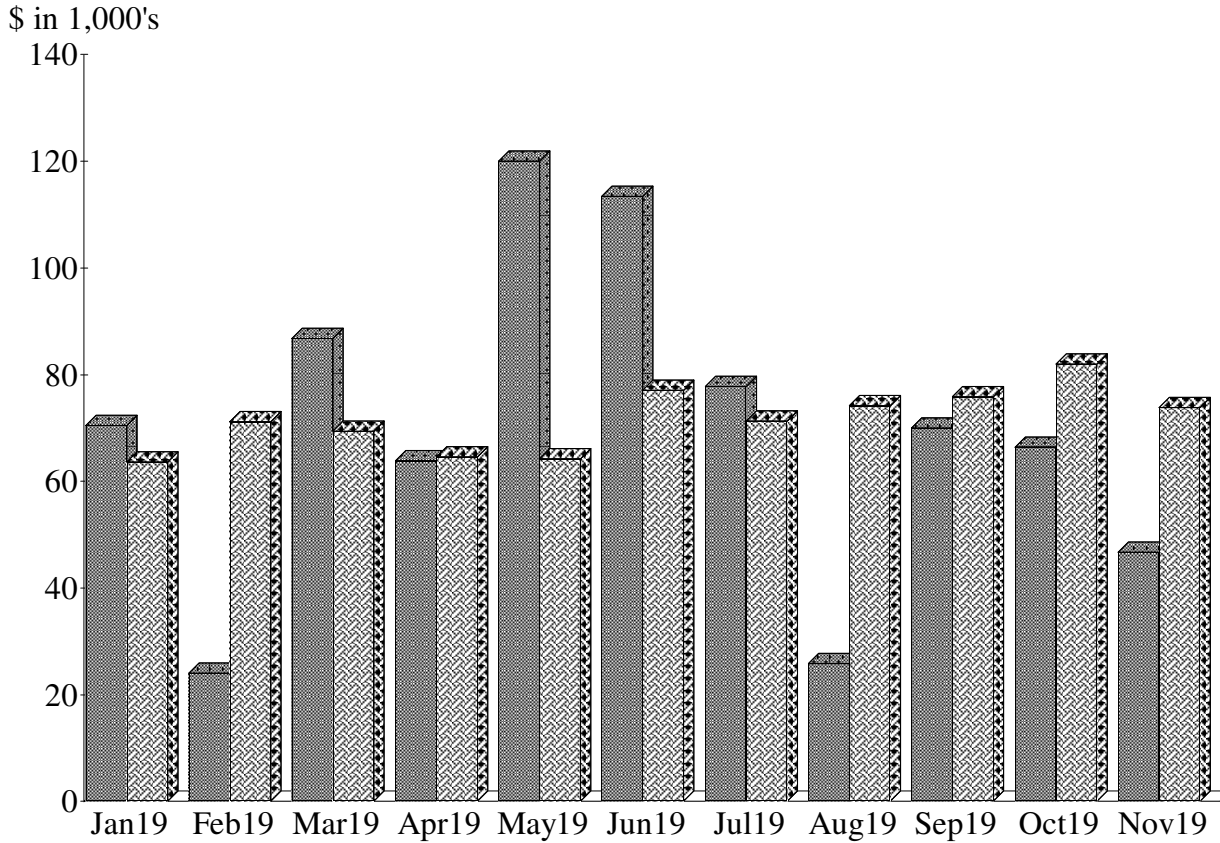
Balance Sheet Prev Year Comparison

As of November 30, 2019

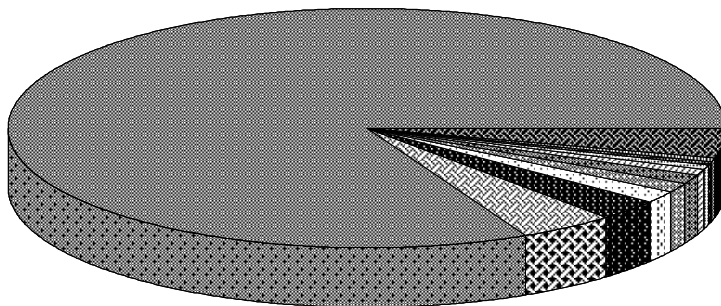
	Nov 30, 19	Nov 30, 18	\$ Change	% Change
ASSETS				
Current Assets				
Checking/Savings				
Chase Checking	94,814.17	156,314.86	-61,500.69	-39.34%
Chase IOLTA	3,620.00	3,620.00	0.00	0.0%
Chase Savings	115,176.36	85,065.14	30,111.22	35.4%
Vanguard Brokerage	77,772.28	58,604.56	19,167.72	32.71%
Total Checking/Savings	<u>291,382.81</u>	<u>303,604.56</u>	<u>-12,221.75</u>	<u>-4.03%</u>
Accounts Receivable				
Accounts Receivable	46,862.33	30,309.35	16,552.98	54.61%
Total Accounts Receivable	<u>46,862.33</u>	<u>30,309.35</u>	<u>16,552.98</u>	<u>54.61%</u>
Total Current Assets	<u>338,245.14</u>	<u>333,913.91</u>	<u>4,331.23</u>	<u>1.3%</u>
Other Assets				
Accumulated Depreciation - Comp	-54,467.90	-49,502.54	-4,965.36	-10.03%
Computer and Phone Equipment	61,408.37	61,205.92	202.45	0.33%
Rental Deposit	715.00	715.00	0.00	0.0%
Total Other Assets	<u>7,655.47</u>	<u>12,418.38</u>	<u>-4,762.91</u>	<u>-38.35%</u>
TOTAL ASSETS	<u><u>345,900.61</u></u>	<u><u>346,332.29</u></u>	<u><u>-431.68</u></u>	<u><u>-0.13%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Other Current Liabilities				
Client Trust Funds	5,911.00	5,911.00	0.00	0.0%
Direct Deposit Liabilities	-812.56	-251.91	-560.65	-222.56%
Payroll Liabilities	785.82	747.89	37.93	5.07%
Total Other Current Liabilities	<u>5,884.26</u>	<u>6,406.98</u>	<u>-522.72</u>	<u>-8.16%</u>
Total Current Liabilities	<u>5,884.26</u>	<u>6,406.98</u>	<u>-522.72</u>	<u>-8.16%</u>
Long Term Liabilities				
Accrued leave	33,152.40	32,958.13	194.27	0.59%
Total Long Term Liabilities	<u>33,152.40</u>	<u>32,958.13</u>	<u>194.27</u>	<u>0.59%</u>
Total Liabilities	<u>39,036.66</u>	<u>39,365.11</u>	<u>-328.45</u>	<u>-0.83%</u>
Equity				
Opening Bal Equity	52,900.79	52,900.79	0.00	0.0%
Retained Earnings	99,164.21	70,263.64	28,900.57	41.13%
Temporarily Restricted Net Asse	176,793.50	176,793.50	0.00	0.0%
Net Income	-21,994.55	7,009.25	-29,003.80	-413.79%
Total Equity	<u>306,863.95</u>	<u>306,967.18</u>	<u>-103.23</u>	<u>-0.03%</u>
TOTAL LIABILITIES & EQUITY	<u><u>345,900.61</u></u>	<u><u>346,332.29</u></u>	<u><u>-431.68</u></u>	<u><u>-0.13%</u></u>

Income and Expense by Month January through November 2019

Income
Expense



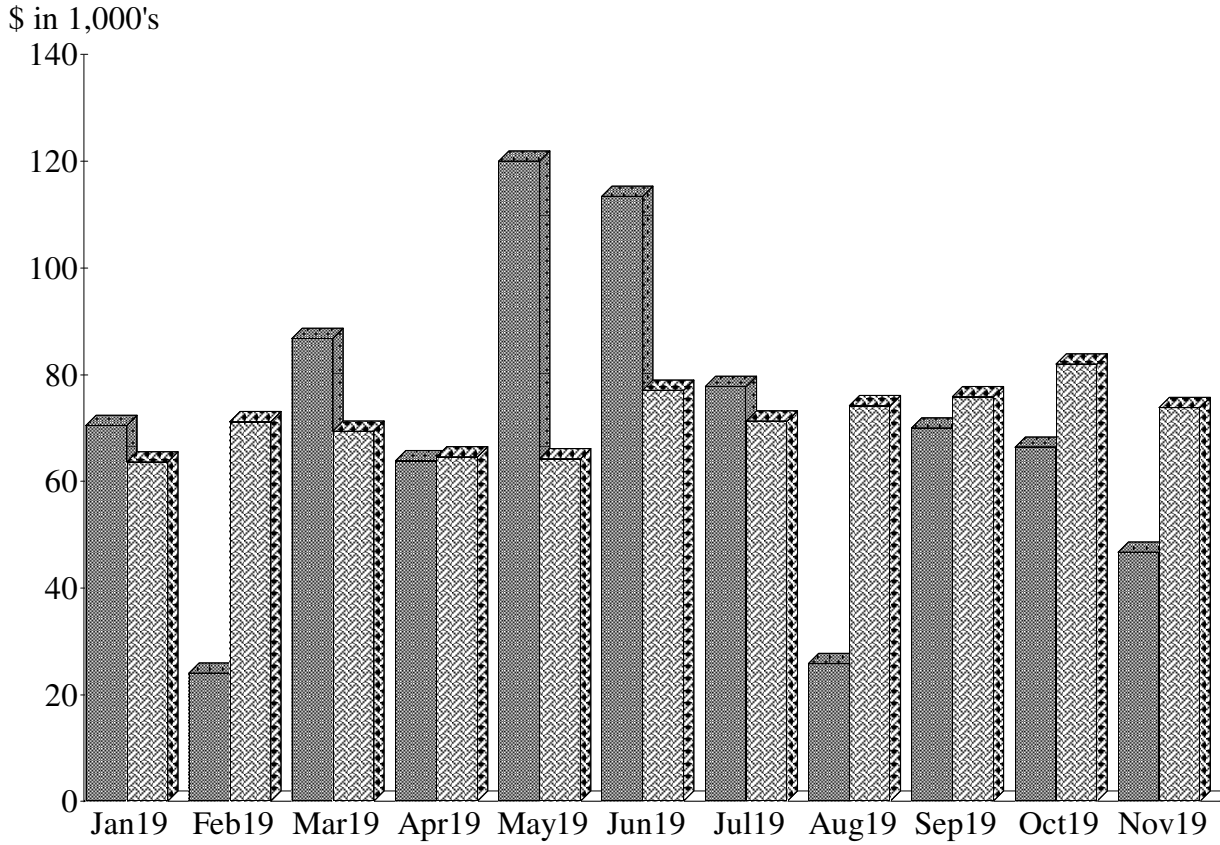
Expense Summary January through November 2019



Payroll Expenses	82.31%
Rent	4.44
Travel	2.93
Telephone	1.66
Office Supplies	1.42
Consultants	1.38
Insurance	0.89
Litigation expense	0.75
Postage and Delivery	0.59
Printing and Reproduction	0.58
Other	3.05
Total	\$787,373.57

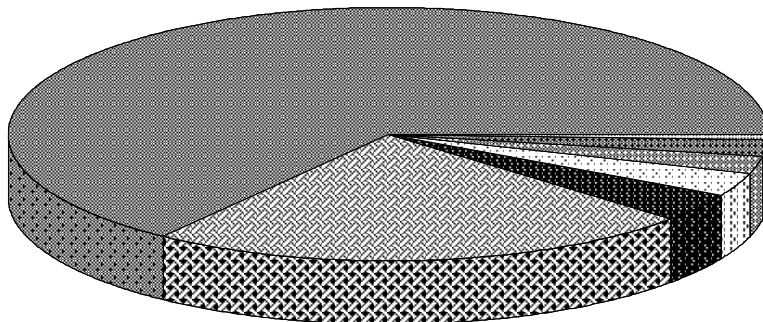
By Account

Income and Expense by Month January through November 2019



Income Summary January through November 2019

Grants	65.11%
Program Income	23.51
Other Donations	3.81
Other Income	3.03
Program Services	2.37
In-kind Contributions	2.16
Miscellaneous Income	\$-216.00
Interest Income	0.01
Sub-Total	\$765,379.02

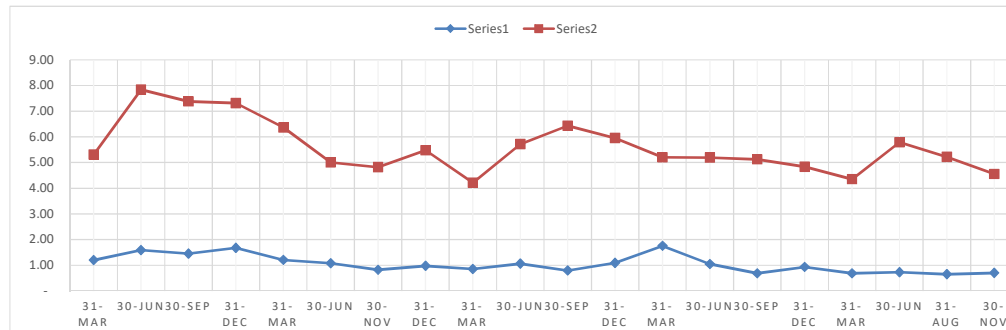


By Account

Months of Reserves 2015-2019

Restricted and Unrestricted

	2015				2016				2017				2018				2019			
	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Nov	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	30-Sep	31-Dec	31-Mar	30-Jun	31-Aug	30-Nov
Monthly Total Budget	47,409	47,409	49,458	49,458	56,807	56,807	56,807	56,807	53,141	53,141	53,141	56,012	60,198	60,198	74,973	74,973	74,323	74,323	74,323	74,323
Unrestricted Assets	56,935	75,220	71,899	82,925	68,665	61,201	46,944	55,565	45,384	56,524	42,052	61,278	105,546	63,228	51,291	69,964	51,003	54,011	48,144	51,960
Total Current Assets	251,850	371,785	365,221	361,976	361,976	284,755	274,084	311,418	223,867	304,026	341,756	333,733	313,143	312,638	384,280	362,671	323,395	430,146	387,636	338,245
Percent Unrestricted	22.61%	20.23%	19.69%	22.91%	18.97%	21.49%	17.13%	17.84%	20.27%	18.59%	12.30%	18.36%	33.71%	20.22%	13.35%	19.29%	15.77%	12.56%	12.42%	15.36%
Months of Unrestricted	1.20	1.59	1.45	1.68	1.21	1.08	0.83	0.98	0.85	1.06	0.79	1.09	1.75	1.05	0.68	0.93	0.69	0.73	0.65	0.70
Months of Total	5.31	7.84	7.38	7.32	6.37	5.01	4.82	5.48	4.21	5.72	6.43	5.96	5.20	5.19	5.13	4.84	4.35	5.79	5.22	4.55



KEJC Recent Fundraising Effort

2018

2018 Source	For	Status	Requested	Awarded	% Awarded	
AILA Midsouth	Immigration	Awarded	5,816	1,000	17%	
Blue Grass Community Foundation	Immigration	Awarded	13,200	14,520	110%	
Catholic Diocese of Lexington	Immigration	Awarded	6,500	6,500	100%	
Fayette County Bar Foundation	Immigration	Awarded	8,124	5,000	62%	
Foundation for a Healthy Kentucky Boots	Health Outreach	Awarded	50,000	50,000	100%	
Good Giving Challenge 2018*	General Support	Completed	40,000	52,862	132%	
Health Law Fellowship Healthy Kentucky	Health Advocacy	Awarded	45,000	45,000	100%	
Holiday Letter (11/15 to 1/31)	General Support	Completed	15,000	9,910	66%	
Interact for Health	Health Fellowship	Awarded	45,000	65,000	144%	
Interact for Health	Health Communications	Awarded	-	20,000	100%	
Legal Impact Network CCC	Safety Net Advocacy	Awarded	16,000	16,000	100%	
Kentucky Gives Day	General Support	Completed	3,000	2,607	87%	
Kentucky Bar Foundation	Immigration	Awarded	12,460	8,000	64%	
Public Welfare Foundation	Worker's Rights	Awarded	80,000	160,000	200%	
United Way of the Bluegrass	Immigration	Awarded	16,000	16,000	100%	
VOCA 2018	Immigration	Awarded	202,463	202,463	100%	
			Total 2018	\$558,563	\$674,862	121%
* Plus \$22,357 endowment prize			2011-2018	\$3,585,834	\$3,200,109	89%

* Plus \$22,357 endowment prize

KEJC Recent Fundraising Effort

2019

2019 Source	For	Status	Requested	Awarded	% Awarded
BGCF On the Table	Immigration	Awarded	2,000	2,000	100%
Bluegrass Community Foundation	Immigration	Awarded	14,520	15,000	103%
Catholic Diocese of Lexington	Immigration	Awarded	8,630	7,500	87%
CLASP ASAP	Public Benefits	Subgranted	4,000	4,000	100%
Fayette County Bar Foundation	Immigration	Awarded	7,633	5,000	66%
Foundation for a Healthy Kentucky Boots	Health Outreach	Awarded	50,000	50,000	100%
Good Giving Challenge 2019	General Support	In progress	30,000	8,842	29%
Health Law Fellowship Healthy Kentucky	Health Advocacy	Awarded	45,000	45,000	100%
Health Law Fellowship Interact	Health Fellowship	Awarded	45,000	45,000	100%
Interact for Health	Health Communications	Awarded	-	20,000	100%
Kentucky Bar Foundation	Immigration	Awarded	11,820	11,000	93%
KCEP Solidarity Giving	Public Benefits	Subgranted	-	25,000	100%
Kentucky Civic Engagement Table	Worker's Rights	Awarded	2,670	2,670	100%
Kentucky Gives Day	General Support	Completed	3,000	3,827	128%
Mazon Emerging Advocacy	Hunger Advocacy	Awarded	90,000	64,712	72%
Protecting Immigration Families	Public Charge	Awarded	20,000	20,000	100%
Public Welfare Foundation	Worker's Rights	Awarded	80,000	80,000	100%
United Way of the Bluegrass	Immigration	Awarded	16,000	12,960	81%
VOCA 2019-2020	Immigration	Pending	215,426	215,426	100%
Total 2019			\$645,699	\$637,937	99%
2011-2019			\$4,231,533	\$3,838,046	91%

Coming Up

Holiday Letter	Immigration	Planning	12,000	-	0%
Subtotal			\$12,000	\$0	0%

**KENTUCKY EQUAL
JUSTICE CENTER**

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2018

PREPARED BY
VICKIE C. RICHARDSON, CPA, PSC
114 EAST HIGH STREET
MT. STERLING, KY 40353

Kentucky Equal Justice Center

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4-5
Statement of Cash Flows	6
Notes to the Financial Statements	7-17

Vickie C. Richardson, CPA, PSC

*114 East High Street
Mount Sterling, KY 40353*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kentucky Equal Justice Center
Lexington, Kentucky

I have audited the accompanying financial statements of Kentucky Equal Justice Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, 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 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

My responsibility is to express an opinion 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. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kentucky Equal Justice Center as of December 31, 2018, 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.

Vicki C. Richardson, CPA, PSC

Mt. Sterling, KY
November 22, 2019

This report contains 17 pages.

Kentucky Equal Justice Center
STATEMENT OF FINANCIAL POSITION
December 31, 2018

ASSETS

Current assets	
Cash	\$ 188,155
Investments	54,570
Accounts receivable	<u>117,945</u>
Total current assets	<u>360,670</u>
Property and Equipment	
Computer equipment	54,097
Less accumulated depreciation	<u>(47,359)</u>
Net Property and equipment	<u>6,738</u>
Rental Deposit	<u>715</u>
Total assets	<u><u>\$ 368,123</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts payable	202
Client trust funds	<u>\$ 5,911</u>
Total current liabilities	<u>6,113</u>
Long Term Liabilities	
Accrued leave	<u>33,152</u>
Total long term liabilities	<u>33,152</u>
Total liabilities	<u>39,265</u>
Net assets	
Without donor imposed restrictions	131,221
With donor imposed restrictions	<u>197,637</u>
Total net assets	<u>328,858</u>
Total liabilities and net assets	<u><u>\$ 368,123</u></u>

See accompanying notes.

Page 3

Kentucky Equal Justice Center
STATEMENT OF ACTIVITIES
For the year ended December 31, 2018

	Immigrant Rights Project	General Poverty Law and Administrative	Total Without Donor Imposed Restrictions
Revenues:			
Grants	\$ 1,000	\$ 0	\$ 1,000
Program income	36,000	144,000	180,000
Donations	37,758	43,304	81,062
Client fees	16,682	0	16,682
Attorney fees	0	10,649	10,649
Other	1,629	600	2,229
Investment income	0	352	352
In-Kind donations	1,764	588	2,352
	<u>94,833</u>	<u>199,493</u>	<u>294,326</u>
Total revenue, gains and other support			
	<u>94,833</u>	<u>199,493</u>	<u>294,326</u>
Expenses:			
Bad debt	\$ 0	\$ 2,000	\$ 2,000
Case management	785	550	1,335
Consultants	0	0	0
Contract labor	3,545	3,540	7,085
Depreciation	0	4,965	4,965
Dues & subscriptions	1,583	1,331	2,914
Equipment rental	2,489	411	2,900
Insurance	608	1,668	2,276
Library	0	1,036	1,036
Miscellaneous	180	1,703	1,883
Office	1,763	16,972	18,735
Payroll and benefits	65,600	122,912	188,512
Postage	1,833	1,039	2,872
Printing	2,052	1,901	3,953
Professional	527	4,979	5,506
Repairs	2,555	0	2,555
Task forces	0	293	293
Telephone	3,187	4,975	8,162
Travel	1,876	3,642	5,518
Unrealized loss on investments	0	2,121	2,121
	<u>88,583</u>	<u>176,038</u>	<u>264,621</u>
Total expenses			
	<u>\$ 88,583</u>	<u>\$ 176,038</u>	<u>\$ 264,621</u>
Change in net assets			29,705
Net assets, beginning of year			<u>101,516</u>
Net assets, end of year			<u>\$ 131,221</u>

See accompanying notes.

Page 4

Kentucky Equal Justice Center
STATEMENT OF ACTIVITIES
For the year ended December 31, 2018

Poverty Law Advocacy	Health Care Advocacy	Immigrant Rights Project	Total with Donor imposed Restrictions	Total
\$ 197,456	\$ 175,000	\$ 187,551	\$ 560,007	\$ 561,007
0	0	0	0	180,000
0	0	1,500	1,500	82,562
0	0	1,155	1,155	17,837
972	0	0	972	11,621
0	0	0	0	2,229
0	0	0	0	352
0	0	13,826	13,826	16,178
<u>198,428</u>	<u>175,000</u>	<u>204,032</u>	<u>577,460</u>	<u>871,786</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000
353	404	2,078	2,835	4,170
0	8,865	0	8,865	8,865
1,500	1,660	1,660	4,820	11,905
0	0	0	0	4,965
341	546	3,109	3,996	6,910
0	120	2,473	2,593	5,493
1,555	983	2,283	4,821	7,097
0	240	0	240	1,276
0	90	360	450	2,333
6,935	6,032	12,787	25,754	44,489
114,065	176,774	196,750	487,589	676,101
32	72	1,939	2,043	4,915
60	55	1,166	1,281	5,234
126	250	2,548	2,924	8,430
110	0	0	110	2,665
779	575	0	1,354	1,647
1,726	3,711	3,120	8,557	16,719
2,077	10,157	7,799	20,033	25,551
0	0	0	0	2,121
<u>\$ 129,659</u>	<u>\$ 210,534</u>	<u>\$ 238,072</u>	<u>\$ 578,265</u>	<u>\$ 842,886</u>
			(805)	28,900
			<u>198,442</u>	<u>299,958</u>
			<u>\$ 197,637</u>	<u>\$ 328,858</u>

Kentucky Equal Justice Center
STATEMENT OF CASH FLOWS
For the year ended December 31, 2018

Cash flows from operating activities:

Change in net assets	\$ 28,900
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	4,965
In-kind donation of software	(2,352)
Unrealized loss on investments	2,121
(Increase)/ Decrease in current assets:	
Accounts receivable	(21,040)
Increase/(Decrease) in current liabilities:	
Accrued leave	194
Accounts payable	<u>34</u>
Net cash provided by operating activities	<u>12,822</u>
Cash flows from investing activities:	
Purchase of investments	(254)
Purchase of computers	<u>(3,457)</u>
Net cash used by investing activities	<u>(3,711)</u>
Increase in cash	9,111
Cash, beginning of year	<u>179,044</u>
Cash, end of year	<u><u>\$ 188,155</u></u>

See accompanying notes.

Page 6

Kentucky Equal Justice Center
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Office of Kentucky Legal Services Programs, Inc. (OKLSP) is a non-stock, non-profit organization formed in 1976. On June 11, 2007 and September 23, 2017 OKLSP filed for an assumed name, Kentucky Equal Justice Center (KEJC). KEJC serves as a coordinating agency for programs that provide free or nominally priced civil legal services to individuals and groups in the Commonwealth of Kentucky who are otherwise unable to afford legal assistance.

KEJC is funded by contracts with the four Legal Services Corporation-funded legal services programs in Kentucky whereby it receives a portion of civil filing fees earmarked through the state courts for civil legal services programs. The funding source allows KEJC to function under regular advocacy and lobbying rules for non-profit organizations. Approximately 21% of KEJC's total revenue is from the four legal service programs. KEJC also receives grants from various organizations. Approximately 64% of KEJC's total revenue is from grants.

As of January 2, 2008, KEJC entered into a Program Transfer Agreement with Repairers of the Breach, Inc. (the Repairers). Under the terms of the agreement, the Repairers transferred the management, operations, capital assets and cash balance of Maxwell Street Legal Clinic to KEJC.

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded as earned and expenses are recorded at the time liabilities are incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks.

Financial Instruments

KEJC's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable. Cash and cash equivalents, accounts receivable and accounts payable are stated at cost, which approximates fair value.

Kentucky Equal Justice Center
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income Taxes

KEJC qualifies as a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

KEJC's *Form 990, Return of Organization Exempt from Income Tax*, for the years ending 2016, 2017, and 2018 are subject to examination by the IRS, generally for three years after they are filed.

Accounts Receivable

Accounts receivable at December 31, 2018 consists of the following:

Grants	\$ 64,607
Donations-due within one year	<u>53,338</u>
	<u>\$ 117,945</u>

Uncollectible accounts are charged to bad debt expense when they are declared uncollectible. Management believes the results of this method approximate the allowance for doubtful accounts.

Revenue Recognition

Grants and donations are recognized in the period the pledges are made. Program income, attorney's fees and client fees are recognized in the period the services are performed.

Fair Value of Financial Instruments

KEJC follows the provisions of FASB ASC 820, *Fair Value Measurements and Disclosures*, (ASC 820) for fair value measurements of financial assets and financial liabilities, and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a three-tier hierarchy to classify fair market measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk.

Kentucky Equal Justice Center
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value of Financial Instruments- Continued

The three tier hierarchy of inputs is summarized in the three broad levels listed as follows.

- Level 1 – quoted prices in active markets for identical assets.
- Level 2 – other significant observable inputs (including quoted prices for similar assets, interest rates, prepayment speeds, and credit risk)
- Level 3 – significant unobservable inputs (including KEJC's assumptions in determining the fair value of assets)

New Accounting Pronouncement

On August 18, 2016, the FASB issued ASU 2016-14, Not-for- Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. KEJC has adjusted the presentation of its financial statements accordingly. The new standards change the following aspects of KEJC's financial statements:

- The three classes of net assets have been replaced with two classes, net assets with donor restrictions and net assets without donor restrictions;
- Net assets classification of the underwater amounts of donor-restricted endowment funds to be shown as a component of net assets with donor restrictions and requires additional disclosures for underwater endowment funds;
- The financial statements include a new disclosure about liquidity and availability of resources (Note 6);
- KEJC reports expenses by natural and functional classification.

In May 2014, FASB issued Accounting Standards Update No. 2014-09 (ASU 2014-09), *Revenue from Contracts with Customers (Topic 606)*. ASU 2014-09 supersedes the revenue recognition guidance in Topic 605, Revenue Recognition. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in the exchanges for those goods or services. ASU 2014-09 is effective for KEJC's financial statements for the year ended December 31, 2019.

Kentucky Equal Justice Center
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

In June 2018, FASB released ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. In general, ASU No. 2018-08 is timed to become effective as the new revenue recognition standard (ASU 2014-09) does, for the year ended December 31, 2019. ASU No. 2018-08 provides additional guidance in evaluating whether transactions should be accounted for as contributions or as exchange transactions, and in determining whether a contribution is conditional or unconditional

NOTE 2 – INVESTMENTS

Investments (all Level 1 measurements) consist of the following at December 31, 2018:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Money market funds	\$ 1,184	\$ 1,184	\$
Mutual Funds	<u>55,507</u>	<u>53,386</u>	<u>(2,121)</u>
Total Investments	<u>\$ 56,691</u>	<u>\$ 54,570</u>	<u>\$ (2,121)</u>

Investment return for the year ended December 31, 2018 is summarized below:

Net unrealized loss	(2,121)
Interest Income	<u>253</u>
Total investment return	<u>\$ (1,868)</u>

NOTE 3 – PROPERTY AND EQUIPMENT

Beginning balance office equipment and computers:	\$ 55,397
Additions:	5,809
Disposals:	<u>(7,109)</u>
Ending balance	54,097
Less accumulated depreciation	<u>(47,359)</u>
Ending balance:	<u>\$ 6,738</u>

Kentucky Equal Justice Center
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 3 – PROPERTY AND EQUIPMENT- CONTINUED

KEJC capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor imposed restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor imposed restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Organization reclassifies net assets with donor imposed restrictions to net assets without donor imposed restrictions at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives of five years. Software is amortized over three years.

NOTE 4 - PENSION PLAN

KEJC's employees are covered by the County Employees Retirement System (CERS), which is part of the Kentucky Retirement System. Full time employees participate in CERS and contribute 5% of their gross wages and new employees hired after September 1, 2008, contribute 1% additional. Total pension plan expense to KEJC was \$84,898. A Comprehensive Annual Financial Report on the Kentucky Retirement System may be requested from the following address:

Kentucky Retirement System
Perimeter Park West
1260 Louisville Road
Frankfort, KY 40601-6124

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following periods:

Periods after December 31, 2018	\$197,637
---------------------------------	-----------

Net assets were released from the grant restrictions by incurring expenses satisfying the purpose specified by the grant as follows:

Kentucky Equal Justice Center
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS – CONTINUED

KY Bar Foundation	\$ 10,532
Public Welfare Foundation	79,963
HFGC Health Law Fellowship	90,639
Foundation for a Healthy Kentucky	45,756
VOCA	137,391
VOCA Match	37,237
Bluegrass Community Foundation	18,046
Catholic Diocese	6,262
Fayette County Bar Foundation	8,512
United Way	17,616
DACA Client Assistance	2,475
Interact for Health	24,439
KCEP New Venture	7,105
NHeLP Health Law Defense	42,594
Legal Impact Network Center for Community Change	15,071
Skadden Fellowship	33,734
Center for Responsible lending	892
	<u>\$ 578,264</u>

NOTE 6– LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

KEJC has \$360,670 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$188,155, \$54,570 in investment funds that make up the Mason Fund in the Vanguard account, and funds and accounts receivable of \$117,945. KEJC structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 7 – IN-KIND CONTRIBUTIONS

The value of donated property and services included as contributions in the accompanying statement of activities and the corresponding assets and expenses for the year ended December 31, 2018 are as follows:

Software	2,352 - asset
Rent and Utilities	10,950 - expense
Salaries	2,876 - expense
	<u>\$ 16,178</u>

Kentucky Equal Justice Center
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 8 – METHODS USED FOR ALLOCATION OF EXPENSES

The cost of providing program 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 general and administrative expenses.

KEJC prepares an annual budget by program. Programs include Immigrant Rights, Poverty Law, Healthcare Advocacy, and general and administrative. Every grant application requires a proposed budget. The budget is followed for allocations of expenses. Payroll and benefits expenses are allocated based on time and effort.

NOTE 9– FUNDRAISING

KEJC conducted activities in 2018 that included requests for contributions. Those activities included subscriptions, postage, and printing, which are all allocated to General Poverty Law and Administrative Expense. Fundraising expenses were allocated as follows:

Subscriptions	99
Postage	311
Printing	<u>1,478</u>
	<u>\$ 1,888</u>

NOTE 10 – CONTRACTS

KEJC entered into an agreement for 2018 with Kentucky Legal Services Funded Basic Field Programs. KEJC received \$180,000 for the following tasks:

- Providing support for the continued operation and development of inter-Program substantive law Task Forces of attorneys and paralegals.
- Monitoring significant developments in poverty law at the state and national level, including legislative, executive and judicial forums.
- Providing information to staff and clients of the Programs on significant current developments in poverty law through task force mailings, email, listserve postings, presentations and other appropriate means.
- Coordinating responses of Program staff to requests from legislative and administrative officials for comments on bills, regulations and other proposals affecting low income Program clients.
- Providing access to information about immigration issues and immigrant eligibility for legal services through KEJC's Immigrant Rights Project.

Kentucky Equal Justice Center
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 10 – CONTRACTS – CONTINUED

- Conducting and coordinating litigation on high impact and emerging poverty law issues.

KEJC signed an agreement for 2019 with identical provisions, including the \$180,000 annual fee.

NOTE 11 – GRANTS

On February 5, 2018, KEJC received a \$16,000 grant from the Sargent Shriver National Center on Poverty Law to support KEJC's engagement with and support of the Center of Community Change's efforts in Kentucky.

On February 8, 2018, KEJC was awarded a \$1,000 grant by the AILA Midsouth Chapter.

On March 1, 2018, KEJC received \$16,456 from the Skadden Foundation to host a fellowship.

On March 7, 2018, the Foundation for a Healthy Kentucky awarded KEJC \$50,000 to renew its "Boots on the Ground" grant for health outreach, enrollment, consumer assistance and policy feedback around implementation of the Affordable Care Act in Kentucky.

On May 10, 2018, the Kentucky Bar Foundation awarded KEJC a grant in the amount of \$8,000 for Maxwell Street Legal Clinic: Ensuring Security, Completing the Journey.

On June 6, 2018, KEJC was awarded a \$6,500 grant by the Catholic Diocese of Lexington, to be allocated in quarterly installments starting in August, for general support for Maxwell Street Legal Clinic with a focus on intake activities.

On June 18, 2018, KEJC received a \$85,000 grant from Interact for Health, formerly the Health Foundation of Greater Cincinnati. Of the total grant amount, \$45,000 was to be used to match a \$45,000 grant in December 2017 by the Foundation for a Healthy Kentucky. The purpose of the matching grants was to sustain the infrastructure for health advocacy for low-income Kentuckians in 2018 through continuation of the Health Law Fellow position. The remaining \$40,000 from Interact for Health was to be used to communicate with the public and policy makers about health gains under the Affordable Care Act.

On June 18, 2018, KEJC received a \$16,000 United Way of the Bluegrass grant for Maxwell Street Legal Clinic and AmeriCorps activities, with a focus on outreach and services that support work authorization and protect earnings. The grant represented the second year of a three year United Way regional funding cycle. The grant was paid in monthly installments.

On July 20, 2018, KEJC received a \$5,000 grant from the Center for Responsible Lending.

Kentucky Equal Justice Center
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 11 – GRANTS - CONTINUED

On September 4, 2018, Public Welfare Foundation awarded KEJC \$160,000 in continued funding for the work of KEJC's Employment Law Attorney on issues and projects centered on "wage theft" and worker safety. The funding represented a two-year grant for \$160,000.

On September 24, 2018, KEJC received a \$14,520 grant from a donor-advised fund at Blue Grass Community Foundation for general support with the preference that a significant portion of the funds would be used for immigration law and citizenship application services and to match Victim of Crime Act funds at Maxwell Street Legal Clinic.

On October 1, 2018, KEJC received a grant of federal Victim of Crime Act (VOCA) funds through the Kentucky Justice Cabinet in the amount of \$202,463 with a subgrantee match amount of \$51,120, for a total of \$253,583.

On October 15, 2018, KEJC received a \$5,000 grant from the Fayette County Bar Foundation, to be used for general support of Maxwell Street Legal Clinic.

On October 30, 2018, KEJC was awarded a grant in the amount of \$40,000 from the National Health Law Program (NHeLP) to be used to conduct activities designed to preserve and protect access to high quality health care, including through Medicaid, the ACA and the Americans with Disabilities Act.

NOTE 12 – SUBSEQUENT EVENTS

KEJC has evaluated subsequent events through November 22, 2019, the date on which the financial statements were issued.

Through an agreement signed February 21, 2019, the Center for Responsible Lending awarded KEJC a grant of \$5,000 to collect, submit and otherwise organize comments to the Consumer Financial Protection Bureau on its Notice of Proposed Rulemaking on payday loans and similar loan products, during the grant period February through July 2019.

By email dated May 10, 2019, the Kentucky Civic Engagement Table conveyed its approval of KEJC's online application for a mini-grant of \$2,670 to strengthen coordination with worker-focused organizations to develop shared messaging around workers' needs and affirmative policies centered on working families.

Through a grant agreement signed May 11, 2019, the Center for Law and Social Policy Campaign for Protecting Immigrant Families awarded KEJC \$10,000 to be used to comment on and promote public understanding of proposed rules intended to expand the scope of "public charge" barriers to lawful immigration.

Kentucky Equal Justice Center
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 – SUBSEQUENT EVENTS- CONTINUED

Under an agreement signed May 13, 2019, the Mountain Association for Community Economic Development (MACED) pledged to grant \$25,000 for a one-year period, starting May 15, 2019, to sustain existing capacity and expand communications and outreach efforts to protect Medicaid expansion and roll back barriers to health coverage. The funds were a sub-grant from a larger award to MACED from Solidarity Giving.

By letter dated May 23, 2019, the Kentucky Bar Foundation notified KEJC of a grant award of \$11,000 for Maxwell Street Legal Clinic to engage staff and members of the private bar in joint efforts to help immigrants apply for lawful permanent residence (a “green card”). The one year grant period began July 1, 2019.

Through a Modified Exhibit A, dated May 24, 2019, Cincinnati-based Interact for Health (IFH) extended its past grant agreement with KEJC, awarding \$45,000 to be used for the KEJC Health Law Fellowship and \$20,000 for activities to communicate to the public, media and policy makers about Kentucky’s health gains under the Affordable Care Act.

The Interact for Health grant matched \$45,000 in funds provided by the Foundation for a Healthy Kentucky for the Fellowship under an agreement dated March 4, 2019. Because of the matching relationship between two foundations, KEJC tracks \$90,000 in combined funds under a unified annual budget for the Fellowship. The unified budget period for the Fellowship began February 1, 2019.

Through a Grant Confirmation Form signed May 30, 2019, KEJC accepted an award of \$64,712 in grant funds from MAZON: A Jewish Response to Hunger to join a cohort of fledgling anti-hunger advocacy programs in the top food insecure states in the nation. The grant supports KEJC’s new Food Justice Fellow, who began work August 23, 2019.

Through notice dated June 7, 2019, United Way of the Bluegrass awarded KEJC \$12,960 to be paid in monthly installments for activities to help immigrants gain work authorization, financial stability, family reunification and citizenship. The funds represented the third year in a three-year Regional funding cycle. The grant year began July 1, 2019.

By letter dated June 17, 2019, the Catholic Diocese of Lexington notified KEJC of a grant of \$7,500 to be paid in quarterly installments, to support Maxwell Street Legal Clinic in its efforts to assist vulnerable individuals to navigate the complexities of the immigration system.

By letter dated September 12, 2019, Kentucky Equal Justice Centered received notice of a grant award of \$15,000 from a donor-advised family fund at Blue Grass Community Foundation (BGCF). Funds were to be used for general support, with a request that a significant portion be used for immigration law and citizenship application services and to match Victim of Crime Act funds at Maxwell Street Legal Clinic.

Kentucky Equal Justice Center
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 12 – SUBSEQUENT EVENTS- CONTINUED

Via email dated June 11, BGCF also awarded KEJC a mini-grant of \$2,000 to build on its successful On the Table evening, March 27, of community discussion at Maxwell Street Presbyterian Church. The grant application was a video prepared by KEJC's VISTA. Funds were to be used to print and distribute signs saying "Immigrants and Refugees Welcome Here" for display by local businesses.

Through agreement finalized September 19, 2019, the Foundation for a Healthy Kentucky awarded a \$50,000 grant to renew support for KEJC's "Boots on the Ground" initiative of health outreach, enrollment, consumer assistance and policy advocacy in partnership with the four federally-funded civil legal aid programs in Kentucky. The grant year began April 1, 2019.

By letter dated November 18, 2019, the Fayette County Bar Foundation notified KEJC of a grant of \$5,000 for Maxwell Street Legal Clinic, to be used in 2020, for general support with an emphasis on case services and use of pro bono volunteers to help immigrant Kentuckians obtain and maintain lawful permanent residence.

KEJC with Maxwell Street Legal Clinic 2020
Proposed Budget with Victim of Crime Act Funds

Expense	2019 KEJC Total	2020 VOCA	2020 DOJ Rep	2020 Immigrant Rights	2020 MSLC Total	2020 KEJC General	2020 KEJC Total	2020 -2019 Difference	2020 assumptions	Salary Increase Percent	Salary on Anniv	Salary before Anniv
Salaries												
Director	85,207.50					86,887.50	86,887.50	1,680.00	\$780 toward scale plus \$900 on anniv	2.0%	86,887.50	85,207.50
Senior Counsel	62,715.00					63,975.00	63,975.00	1,260.00	\$360 toward scale plus \$900 on anniv	2.0%	64,920.00	63,660.00
Employment Attorney	23,158.50					23,926.50	23,926.50	768.00	\$900 on anniversary plus \$36 to 2%	2.0%	48,672.00	47,736.00 *
Immigration Attorney	47,100.00	12,016.00		36,048.00	48,064.00	0.00	48,064.00	964.00	\$900 on anniv plus \$48 to 2%	2.0%	48,696.00	47,748.00
Health Law Fellow	50,651.50					47,692.50	47,692.50	-2,959.00	\$900 on anniv plus \$48 to 2%	2.0%	48,048.00	47,100.00 *
Food Justice Fellow						39,457.50	39,457.50	39,457.50	\$900 on anniv	2.3%	40,020.00	39,120.00
DOJ Accredited Rep	37,132.50	9,508.13	28,524.38		38,032.50	0.00	38,032.50	900.00	\$900 on anniversary	2.4%	38,820.00	37,920.00
Outreach Coordinator	34,265.00					36,365.00	36,365.00	2,100.00	\$900 on anniversary	2.5%	37,040.00	36,140.00 *
VOCA Fellow I	42,000.00	42,900.00			42,900.00		42,900.00	900.00	\$900 on anniversary	2.1%	43,500.00	42,600.00
VOCA Fellow II	34,995.00	35,895.00			35,895.00		35,895.00	900.00	\$900 on anniversary	2.6%	36,120.00	35,220.00
VOCA Legal Assistant	33,063.33	33,992.50			33,992.50		33,992.50	929.17	\$900 on anniversary	2.7%	34,180.00	33,280.00
Legal Assistant I	13,072.00	3,009.60		12,038.40		0.00	15,048.00	1,976.00	50 cents per hour on anniversary	3.1%		
Legal Assistant II	12,968.00	2,880.00		10,374.40	13,254.40	0.00	13,254.40	286.40	50 cents per hour on anniversary	3.3%		
Health Communications	12,915.00					15,390.00	15,390.00	2,475.00	50 cents per hour on anniversary	3.1%		
Subtotal salaries	489,243.33	140,201.23	28,524.38	58,460.80	227,186.40	313,694.00	540,880.40	51,637.07	10.55% increase			
Benefits												
Health	66,843.60	20,701.44	8,617.20	8,617.20	37,935.84	41,511.84	79,447.68	12,604.08	DEI 2020 rates based on plan choices			
Dental	4,736.88	1,578.96	526.32	526.32	2,631.60	3,255.12	5,886.72	1,149.84	Metlife 2020 rate			
Life	2,073.60	691.20	230.40	230.40	1,152.00	1,152.00	2,304.00	230.40	Metlife 2020 rate			
Disability	3,923.48	1,370.15	273.15	345.20	1,988.49	2,399.79	4,388.29	464.81	Metlife 2020 rate			
Workers Comp	940.51	271.85	54.20	111.08	437.13	601.49	1,038.62	98.11	KESA 2018 rate 0.19 per hundred			
CERS retirement	99,458.41	36,857.72	7,347.88	9,285.96	53,491.57	71,421.53	124,913.10	25,454.69	CERS 2019-2020 rates averaged and weighted (25.76%)			
FICA 7.65%	37,867.76	10,945.71	2,182.11	4,472.25	17,600.08	24,217.91	41,817.99	3,950.24	FICA rate			
Unemployment	928.20	226.80	75.60	226.80	529.20	529.20	1,058.40	130.20	UI 2020 base and KEJC rate			
Subtotal benefits	216,772.43	72,643.84	19,306.86	23,815.21	115,765.90	145,088.89	260,854.79	44,082.36	20.34% increase			
Total Payroll	706,015.77	212,845.06	47,831.23	82,276.01	342,952.30	458,782.89	801,735.19	95,719.43	13.56% increase			
Operating expense	Total	VOCA	DOJ	IMM	MSLC	KEJC	Total	Difference				
Capital Additions	4,500.00			1,500.00	1,500.00	1,500.00	3,000.00	-1,500.00	Workstations, printers, scanners			
Consultants and Subgrants	15,040.00	1,560.00		600.00	2,160.00	19,240.00	21,400.00	6,360.00	Strategic planning, development, interpreters			
Contract Labor AmeriCorps	9,200.00			3,000.00	3,000.00	6,000.00	9,000.00	-200.00	AmeriCorps, work study, cleaning			
Dues	4,255.00	1,175.00		885.00	2,060.00	2,340.00	4,400.00	145.00	Actuals itemized and per grants			
Equipment Rental	5,812.56	2,021.69		2,227.79	4,249.48	531.36	4,780.84	-1,031.72	Printer, postage meter as per vendor rates			
Insurance	8,677.00	1,950.00	585.00	585.00	3,120.00	3,780.00	6,900.00	-1,777.00	Actuals trended			
Library	2,100.00			600.00	600.00	1,560.00	2,160.00	60.00	Actuals trended and per grants			
Litigation Support	3,300.00			1,200.00	1,200.00	2,460.00	3,660.00	360.00	Shred-it, Courtnet, general			
Miscellaneous	1,980.00			480.00	480.00	1,500.00	1,980.00	0.00	Trended including board meet cost			
Case Management	7,860.00	5,092.95	187.50	1,062.30	6,342.75	1,880.00	8,222.75	362.75	Annual fees, training, MSLC system upgrade			
Office Supplies	10,320.00	1,800.00		2,700.00	4,500.00	6,120.00	10,620.00	300.00	Two year average trended & per grants			
Postage and Delivery	4,062.00	1,180.80		2,371.20	3,552.00	1,200.00	4,752.00	690.00	Two year average trended & per grants			
Printing and Copying	7,656.00	2,006.40		3,009.60	5,016.00	1,320.00	6,336.00	-1,320.00	Two year average trended & per grants			
Prof Tax Audit	4,650.00					4,650.00	4,650.00	0.00	As per last three year audit bid			
Prof Accounting	300.00					300.00	300.00	0.00	Minor advice, no change			
Rent	44,150.00	11,832.00		8,568.00	20,400.00	21,600.00	42,000.00	-2,150.00	Current rent December 2019			
Repairs	720.00			240.00	240.00	480.00	720.00	0.00	Two year average without MSLC move			
Telephone, Internet	16,222.40	3,095.71		3,023.81	6,119.52	9,840.00	15,959.52	-262.88	Actuals as per grants, current bills rounded			
Travel and Training	31,211.00	14,093.00	1,500.00	1,500.00	17,093.00	21,300.00	38,393.00	7,182.00	Two year average trended & per grants			
Task Forces & Meetings	3,840.00			480.00	480.00	3,600.00	4,080.00	240.00	Per task forces and grants			
Subtotal operating	185,855.96	45,807.55	2,272.50	34,032.70	82,112.75	111,201.36	193,314.11	7,458.15	4.01% increase			
Total expense	891,871.73	258,652.61	50,103.73	116,308.71	425,065.05	569,984.25	995,049.30	103,177.58	11.6% increase			
Projected income	Total	VOCA	DOJ	IMM	MSLC	KEJC	Total	Difference				
Program Contributions	180,000.00			32,160.00	32,160.00	147,840.00	180,000.00	0.00	As per MOA with programs			

Client Fees	20,000.00		4,800.00	13,200.00	18,000.00		18,000.00	-2,000.00	Actuals trended over 2 years
Attorney Fees	15,840.00			3,840.00	3,840.00	12,000.00	15,840.00	0.00	Actuals trended and per grants
Individual Donations	66,000.00	32,000.00		9,000.00	41,000.00	32,000.00	73,000.00	7,000.00	Actuals trended including giving days
Fundraising Events	25,000.00			20,000.00	20,000.00	5,000.00	25,000.00	0.00	Maxwell Street 20th event
Public Welfare	0.00				0.00	80,000.00	80,000.00	80,000.00	Prospective transition grant 1st year
Foundation Healthy KY	45,000.00				0.00	45,000.00	45,000.00	0.00	Renewal
Interact for Health	45,000.00				0.00	45,000.00	45,000.00	0.00	Renewal
Foundation Boots	50,000.00				0.00	50,000.00	50,000.00	0.00	Renewal
Health Gains	20,000.00				0.00	20,000.00	20,000.00	0.00	Interact for Health add on continued
VOCA	202,463.00	215,426.00			215,426.00	0.00	215,426.00	12,963.00	As per grant budget, annualized
FCBF	5,000.00		2,500.00	2,500.00	5,000.00	0.00	5,000.00	0.00	Renewal
BGCF	20,000.00		15,000.00		15,000.00	5,000.00	20,000.00	0.00	As per recent gifts
Bar Grants KBF LBF	12,800.00			11,000.00	11,000.00	5,000.00	16,000.00	3,200.00	As per 2019 levels
Mazon							67,947.60		Original grant with 5% increase
United Way of Bluegrass	16,000.00			16,000.00	16,000.00	0.00	16,000.00	0.00	Original 2017-2020 regional amount
Catholic Diocese	6,000.00	3,750.00	3,750.00		7,500.00	0.00	7,500.00	1,500.00	Continuation of 2019 amount
Small Grants	1,800.00			1,800.00	1,800.00	0.00	1,800.00	0.00	AILA and congregations
Task Force Sponsors	0.00				0.00	0.00	0.00	0.00	Eliminating low yield strategy
New Grants General	24,000.00			6,000.00	6,000.00	15,000.00	21,000.00	-3,000.00	Lowered risk
New Grants Safety Net	40,000.00				0.00	40,000.00	40,000.00	0.00	Continuation of NHeLP, KCEP support
Major Gift Exploration	16,000.00			12,000.00	12,000.00		12,000.00	-4,000.00	New initiative
Mason Fund Interest	0.00				0.00	0.00	0.00	0.00	As per investment policy
In-Kind Rent	20,400.00	11,832.00		8,568.00	20,400.00		20,400.00		
Interest Income	180.00				0.00	180.00	180.00	0.00	
Total income	832,483.00	263,008.00	26,050.00	136,068.00	425,126.00	502,020.00	995,093.60	95,663.00	11% increase
Income over expense	-59,388.73	4,355.39	-24,053.73	19,759.29	60.95	-67,964.25	44.30		
Available 1-time restricted	80,000.00				0.00				
Net	20,611.27		-24,053.73		60.95		44.30		

* equity adjustment

Kentucky Equal Justice Center
Proposal to Create an Executive Committee
December 12, 2019

Proposed that the Board create by motion an Executive Committee pursuant to Bylaw V as follows:

The Executive Committee (EC) shall consist of the officers and no more than three other Directors to be appointed by the Chairperson. Except for the power to amend the Articles of Incorporation and Bylaws, the EC shall have all the powers and authority of the Board of Directors in the intervals between meetings of the Board of Directors, subject to the direction and control of the Board of Directors. The Chairperson of the Board of Directors shall act as Chairperson of the EC. Members of the EC may meet by telephone, videoconference or in person. The actions of the EC shall be taken by majority vote of those present. A meeting of the EC shall be convened upon reasonable notice to all committee members by the Chairperson or any two committee members.

Kentucky Equal Justice Center
Conflict of Interest Form for
Officers, Directors and Staff Members

Conflict of Interest Policy

No member of the Kentucky Equal Justice Center Board of Directors or Staff shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation in the Kentucky Equal Justice Center. Each individual shall disclose to the Kentucky Equal Justice Center any personal interest which he or she may have in any matter pending before the organization and shall refrain from participation in any decision on such matter. Any member of the Kentucky Equal Justice Center's Board of Directors or Staff shall refrain from obtaining any list of Kentucky Equal Justice Center clients for personal or private solicitation purposes at any time during the term of their affiliation.

Conflict of Interest Disclosure

In addition to my service for Kentucky Equal Justice Center, at this time I am a Board member or an employee of the following organizations:

1. _____
2. _____
3. _____
4. _____

This is to certify that, except with regard to carrying out my duties as an officer, director or staff member of the Kentucky Equal Justice Center or as described below, I am not now nor at any time during the past year have been:

- 1) A participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party doing business with the Kentucky Equal Justice Center which has resulted or could result in personal benefit to me.
- 2) A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with the Kentucky Equal Justice Center.

Any exceptions to 1 or 2 above are stated below with a full description of the transactions and of the interest, whether direct or indirect, which I have (or have had during the past year) in the persons or organizations having transactions with the Kentucky Equal Justice Center:

Signature: _____ Date _____

Printed name: _____

Please return to:

Richard J. Seckel, Director
Kentucky Equal Justice Center
201 W. Short Street, Suite 310
Lexington, KY 40507

Kentucky Equal Justice Center

Board Meeting Dates

Proposed Schedule 2020

- | | | |
|----------------|----------|----------------|
| • April 21 | Tuesday | Board Meeting |
| • July 16 | Thursday | Board Meeting |
| • September 25 | Friday | Board Meeting |
| • December 10 | Thursday | Annual Meeting |

KEJC Communications Report
12/9/2019
Prepared by Allison Dean Crawford

Highlights

Fourth quarter communications centered around:

- Medicaid
- Open Enrollment for 2020
- Good Giving Challenge (we raised nearly \$56,000!)

Social Media Highlights (9/26/2019 - 12/8/2019):

- Total followers increased by 147 across our social media profiles including Instagram, Twitter, KEJC Facebook, and KEJC Radio Facebook.
 - Our Instagram account saw another jump of 67 new followers and our engagements and impressions increased by more than 250% each.
 - Our Facebook page exceeded 2,000 followers! We now have 2,211 Facebook followers on our main KEJC page.
- We continue to see a general decrease in impressions and engagement across social media platforms. We should see an uptick in impressions and engagement during the General Assembly.

Sprout Social Report Date Range: 4/19/2019 - 7/4/2019

Compared to previous Date Range: 7/14/2019 - 9/25/2019

Profiles Included: Instagram, Twitter, KEJC Facebook Page, KEJC Radio Facebook Page

Audience Growth Metrics	Totals	Total Followers % Change
Total Followers	5,271	↗ 2.9%
Total Net Follower Growth	147	
Twitter Net Follower Growth	55	↗ 2.3%
Facebook Net Fan Growth	25	↗ 1.1%
Instagram Net Follower Growth	67	↗ 16.2%

Total followers increased by
2.9%
since previous date range

Sent Messages Metrics	Totals	% Change
Total Messages Sent	340	↘ 22.7%
Twitter Tweets and DMs Sent	150	↘ 38.8%
Facebook Posts Sent	159	↘ 15%
Instagram Messages Sent	31	↗ 288%

Message volume decreased by

↘ 22.7%

since previous date range

Received Messages Metrics	Totals	% Change
Total Messages Received	215	↘ 22.9%
Twitter Messages Received	120	↗ 14.3%
Facebook Messages Received	90	↘ 47.1%
Instagram Comments Received	5	↗ 25%

Message volume decreased by

↘ 22.9%

since previous date range

Impressions Metrics	Totals	% Change
Total Impressions	94,917	↘ 29.4%
Twitter Impressions	55,606	↘ 19.1%
Facebook Impressions	33,122	↘ 48.2%
Instagram Impressions	6,189	↗ 251%

Total Impressions decreased
by

↘ 29.4%

since previous date range

Engagement Metrics	Totals	% Change
Total Engagements	4,143	↘ 17%
Twitter Engagements	751	↘ 16.8%
Facebook Engagements	3,095	↘ 22.7%
Instagram Engagements	297	↗ 271%

The number of engagements
decreased by

↘ 17%

since previous date range

Betsy Davis Stone
December 2019

Health Law Fellow Board Report

Networking. The last three months have been packed with local, regional, and national networking opportunities. I received a scholarship to attend Community Catalyst's convening in Atlanta, which began with a meeting of advocates from the Southeast. A few weeks later, I returned to Atlanta for the Southeastern Public Benefits Technical Advisory Committee, a more informal gathering of public benefits advocates who discuss shared problems and potential solutions in their states. Just this week, I attended the National Health Law Program's annual conference in D.C. on a scholarship where I had a chance to engage with legal aid attorneys, advocates from unrestricted programs like KEJC, and national partners including the attorneys who made the 1115 waiver litigation in Kentucky a reality. And of course, I've continued making connections at home. For example, a few weeks ago, the social worker at Southland Christian Church's free medical clinic asked me to meet with her and tour their facility. That connection has already yielded at least one health insurance enrollment referral.

Policy Advocacy. In the lead up to the oral arguments in the 1115 waiver case, the Lexington Herald Leader and the Courier Journal published an [Op-Ed](#) I wrote about the inherent policy flaws in the waiver proposal. The State Journal in Frankfort and several other local newspapers published the piece after the arguments. Meanwhile, we're busy reviewing pre-filed bills, attending legislative committee meetings, and strategizing for the next legislative session starting in January.

Litigation. On October 11, 2019, I was in the D.C. Circuit Court for the oral arguments in the 1115 waiver case. We're all incredibly happy that the promising comments made by the panel have led other states with similar waivers to pause work requirement implementation. Again, I'm still working hard to build a caseload at home. In the past month, I've represented a mom trying to reinstate Medicaid benefits for her nonverbal autistic five-year-old. We got her fair hearing continued after the Cabinet agreed to do a new application using the appropriate income and resource measures for a disabled child. The research and work from that case helped me advise a dad of a disabled child in a similar predicament, and they've led to productive conversations in the legal aid community about the need for better public benefits notices. We also received a favorable result in a Marketplace appeal case that Miranda referred to me several months ago. In the course of that case, we got two immigrant children enrolled in Medicaid and a mom back on a Marketplace plan with the subsidies she was entitled to.

Community Education. In the past quarter, KEJC and a private consumer attorney hosted an all-day Consumer Law Crash Course for legal aid attorneys. I taught a session about debt collection defense with a focus on Fair Debt Collection Practices Act counterclaims. Next week, I'll be teaching a bankruptcy training for legal aid attorneys with Nick Maraman from LAS, and we're

continuing to train legal aid attorneys and learn ourselves at our Health and Public Benefit Task Force meetings. I've recently been asked to talk about healthcare advocacy at a Global Health course for UK Medical School students.

Enrollment. We're in the last two weeks of open enrollment for the federal Marketplace and managed care for Medicaid patients. We continue to receive calls for enrollment assistance, and we'll be advocating for a return to the kynect enrollment platform with the new governor's administration.

Maxwell Street Legal Clinic Board Report 12/12/2019

Highlights since 09/27/2019

- Nathalie celebrated 10 years of involvement with Maxwell Street! She started volunteering in November 2019 at a naturalization workshop held at Eastern Kentucky University
- We participated in a meet and greet with the General Consul and staff from the Mexican Consulate in Indianapolis, learning quite about what they can do to help our clients
- We provided volunteers for 15 shifts at the Thoroughbred Classic 5k!

Caseload Summary

- Cases handled from 09/25/2019 to 12/10/2019: 116
- Cases handled in the last year: 533
- Averaging 688 calls a month
- In 2019:
 - 7 VOCA clients received their lawful permanent residence
 - 15 clients became US citizens
 - 103 DACA renewals were approved

Funding

- Client fees from 09/16/2019 until 11/30/2019 were \$3,735
- VOCA grant renewed for \$215,426
- Fayette County Bar Foundation grant awarded for \$5,000
- Maxwell Street Presbyterian Church Endowment committee awarded \$4,285

Outreach, Media, and Community Involvement

- Since the last board meeting in September 2019, we have participated in the following outreach, media, training, and community events:
 - Allison and Nathalie attended CLINIC's Immigration Law and Policy Conference in Washington D.C.
 - Maddy attended American Translators Association's annual conference in Palm Springs, CA
 - Leah and Nathalie presented with Tyler at Bryan Station High school, providing "know-your-rights" materials and information on public charge and SNAP
 - Allison and Nathalie presented with Miranda and Tyler at Key Assets, providing information on immigration and public benefits to mental health professionals
 - Marilyn and Nathalie presented at Eastern Kentucky University on immigration basics
 - We've continued our radio show with Victor Palomino at Lexington Community Radio, a monthly bilingual conversation about immigration issues, and also recorded a segment on public charge with Miranda for the Kentucky Equal Justice Center radio show
 - We had 2 family petition information sessions, providing information on the family reunification process, and will continue having monthly sessions due to increased demand
 - Leah and Rich have been participating in the Justice For All project through the Access to Justice Commission

Outreach Staff Report

September 25 – December 10, 2019

Outreach Update

- ✓ **18 outreach presentations, events, clinics, and meetings:** Outreach and Maxwell Street Legal Clinic staff activity reaching over 100 people in-person with information on immigration, workers, and healthcare rights.
- ✓ **Outreach Highlights:** presented to monthly meetings of people on probation and parole; presented to La Casita Center staff about workers' rights; presented to social workers and counselors about immigration, public charge, healthcare coverage, and SNAP eligibility.
- ✓ **Radio:** Miranda produced three new KY Equal Justice Radio episodes in English and four in Spanish for Lexington Community Radio (LCR), newly named RADIOLEX. Miranda interviewed Leah and Nathalie about the public charge regulation and Legal Aid of the Bluegrass attorney, Cindy Millay, about expungements and how this year's SB 57 changed expungements in Kentucky. And she recorded two episodes on Medicaid and Marketplace health insurance, which has re-aired several times during Open Enrollment.

Health Insurance Enrollment

- **Assisted 24 new individuals and families** since September 25, 2019, as well as previously established cases.
 - Mostly Medicaid and KCHIP enrollments/renewals, 7 complete healthcare.gov applications
 - 2 **BCTC** community college students
 - 4 new applicants from the **New Life Day Center**, a daytime shelter for the homeless
 - 4 new applicants from **Probation and Parole**
 - 7 **immigrant applicants** from MSLC, our Wage Claim Clinic, the Refuge Clinic, and other referrals

Healthcare Advocacy: Miranda

- ❖ Completed CMS Certified Application Counselor renewal training
- ❖ Participated in monthly update meetings with the Kentucky Health Benefit Exchange.
- ❖ Alerted KHBE staff to technical and call handling issues:
 - alerted staff to technical issue of benefind cases pending without any Request for Information
 - requested additional DCBS staff training on Special Circumstance (retroactive) Medicaid eligibility and the lack of effect of employer-sponsored coverage on Medicaid eligibility
 - requested benefind modifications regarding entering tuition expenses
- ❖ Participated in a Justice Involved Workshop hosted by KHBE staff
- ❖ Attended a meeting of the Consumer Rights & Patient Needs Technical Advisory Committee to Kentucky's Medicaid Advisory Council

Workers' Rights Team

- **4 claimants** attended a self-help clinic or met with us about a wage claim in October and November
- Completed assistance with **1 demand letter and 1 complaint to the Kentucky Labor Cabinet**, others pending additional information

New Grants Work

- ✓ **Louisville Bar Foundation:** Rich, Miranda, and McKenzie put together a grant application in collaboration with La Casita Center in Louisville. We will use the funds to launch a monthly Wage Claim Clinic at La Casita during 2020.
- ✓ **Protecting Immigrant Families Grant:** MSLC, Miranda, and Allison have worked together to frame messaging around the public charge rule which discourages immigrants to enroll in public benefits. The rule would have taken effect October 15, but several courts have stopped it with preliminary injunctions. Few of our clients would be directly affected by the policy change, but many are confused and scared by it. The PIF Campaign has funded us to do advocacy, outreach, coalition building, and story gathering around public charge and other new and proposed policies that harm or will potentially harm immigrant families.
 - MSLC staff Nathalie and Allison, Miranda, and Tyler myth-busted public charge in our **presentation to social workers and counselors** with Key Assets in October.
 - Miranda coordinated a **meeting with the outgoing Medicaid Commissioner and staff**, Kentucky Office of Refugees, and Kentucky Voices for Health to discuss how to better communicate to service providers and beneficiaries about the public charge regulation.
 - Miranda connected Catholic Charities' Bakhita Empowerment Initiative with the National Immigration Law Center to **share stories** of how their staff see this policy creating a chilling effect among their immigrant clients.
 - Leah, Nathalie, and Miranda recorded new Kentucky Equal Justice and Reclama Tus Derechos **radio segments** covering public charge in English and Spanish in October. MSLC staff have recorded multiple LexRadio interviews with updates on the topic as well.
 - Miranda gave an overview of the public charge regulation to legal aid staff at the December meeting of the **Welfare and Health Task Force**.
- ✓ **On the Table Mini-grant:** With the help of local chef Dan Wu, our AmeriCorps member Beka launched this grant project. We distributed the "Immigrants & Refugees Belong Here" signs to local businesses in September. The next round of distribution will be to churches. If you know of a business owner or church who may want a sign, please let us know!

Professional Development

- Miranda attended the Union Cooperative Symposium in Cincinnati, where she learned about creative strategies for worker empowerment, particularly in cases of wage theft and undocumented workers.

Kentucky Equal Justice Center-Employment Law Project Update
Board Meeting-December 12, 2019
McKenzie Cantrell-Employment Law Attorney

Community Education

- Recording radio update: We've slowed down our radio recording schedule. Without an intern of Americorps service member, it has been too difficult to prepare content and accurate scripts. Miranda has continued recording content with local interviews that do not require as much editing.
- Wage claim clinic: consistent attendance in recent months
- Funding granted from Louisville Bar Foundation to host Louisville wage claim consultations. We'll be working with La Casita Center as a community partner.
- We've also been continuing to train La Casita staff on wage violations. We did our second round of training in November and may continue on special topics as requested.

Networking and Coalition Building

- Workers' Rights Task Force-We're having a meeting December 16th at the Foundation for a Healthy Kentucky. We are expecting record attendance and have agenda planned around the upcoming legislative session, an update on the Blackjewel mining case and more.
- Working with allies to discuss possible worker center in Louisville-exploratory conference call next week
- Filed comments on proposed rule on federal tip credit regulations under the FLSA

Litigation

- Co-counseling cases with Columbus law firm against Louisville restaurants
 - Motion for summary judgment pending in one case.
 - On another case, settlement was approved by the court, and checks have been distributed.
- Human trafficking civil case in Lexington still ongoing
 - After a case management conference in November, a scheduling order is in effect and case could be resolved in 2020.

Kentucky Equal Justice Center

Director's Activity Highlights

September 26 to December 10, 2019

Governance

- Hosted KEJC Board Meeting (September 27)
- Managed Staff Representatives Nomination and Election process
- Held phone interview with potential Personnel Committee consultant (November 13)
- Participated in Legal Work Oversight Committee conference call (December 3)
- Scheduled Audit Committee call with auditor (December 10)

Management and Administration

- Reconciled accounts with Treasurer (November 26)
- Provided materials and responded to requests from auditor for audit and 990
- Prepared proposed budget for FY 2020
- Gathered funding info and calculated 2020 statewide funding formula

Grants and Fundraising

- Filed grant reports:
 - National Health Law Program
 - Health Law Fellowship (Betsy wrote narrative)
 - Boots on the Ground (Miranda wrote narrative)
- Filed grant proposals or agreements:

	Amount	Status
○ VOCA	\$215,426	awarded (with VOCA staff)
○ Fayette County Bar Foundation	\$5,000	awarded (with Leah)
○ Louisville Bar Foundation	\$5,000	awarded (with Miranda)
○ CLASP Protecting Immigrant Families	\$10,000	awarded (with Miranda)
○ Gates Foundation	\$100,000	filed (with Ben and Tyler)
- Coordinated 1st place finish in Good Giving Challenge December 3-9 with Allison Crawford (\$55,793 exclusive of match prizes)
- Coordinated preparation of Holiday Season Maxwell Street newsletter "The Torch" with Allison Crawford

Task Forces

- Participated in planning call (November 19) (with Ben, Betsy), attended and presented at Welfare and Health Task Force (December 5)
- Held planning calls for Workers' Rights Task Force (with McKenzie and Miranda) (October 7, November 19, November 25) (set for December 16) and reached out to presenters

- Participated in Consumer Task Force “Lunch and Learn” webinar (organized by Ben) (November 21)

Workers’ Rights Advocacy

- Participated in conference calls about potential workers’ center in Louisville with UK Prof. Ariana Levinson (October 8) (with McKenzie and Miranda)

Health and Public Benefits Advocacy

- Attended Public Assistance Reform Task Force meeting (October 7, October 30)
- Convened KEJC Staff for Altarum High Value Health Board Game (November 12), with pic that made it into national Altarum webinar (November 15)
- Participated in Kentucky Voices for Health:
 - InsureKY coordination calls (almost weekly)
 - InsureKY meeting with Elaine Waxman of Urban Institute (October 10)
 - Annual meeting as a panelist (October 11)
 - InsureKY post-election planning meeting (November 8)
 - InsureKY strategy meeting (November 20)
- Reviewed staff comments on multiple federal rules

Food Justice Coalition Building and Advocacy

- Met with fellow Mazon grantee KCEP project staff and director about implementation of food justice grant projects (with Tyler) (October 10)
- Met with potential Kentucky Food Policy Network allies at Feeding Kentucky to explore coalition building and joint advocacy (with Tyler) (November 7)
- Reviewed Tyler’s comment on federal proposal for SNAP standard utility allowance

Communications

- Met periodically with Allison re messaging (plus frequent email communication) on worker’s rights, Good Giving and Maxwell Street newsletter The Torch
- Compiled and published Pre-filed Bills Summaries drawing on Lobbying Team drafts

Attended or participated in . . .

- KEJC Lobbying Team meeting (October 17, November 12)
- Community Response Coalition meeting (October 20)
- Center on Budget and Policy Priorities state orientation on public benefits issues (October 28)
- Justice Cabinet VOCA awards ceremony in Capitol Rotunda (October 30)
- CLASP Aligning State Assistance Programs webinar on racial equity (October 31)
- Southeast Public Benefits TAG meeting in Atlanta (November 2-3)
- Access to Justice Commission grant project meeting (November 8)
- Kentucky Safety Net allies call (November 14)
- Health Data Forum (Foundation for a Healthy KY, Interact for Health) (November 15)
- Meeting with Kentucky Resources Council leaders re Ben’s merger idea (December 6)