



**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

August 13, 2019

Secretary William M. Landrum III  
Finance and Administration Cabinet  
Department for Facilities and Support Services  
Chairs of the Capital Projects and Bond Oversight Committee

As Auditor of Public Accounts, I am pleased to transmit herewith the report of our examination relating to compliance with the lease laws for the years ended June 30, 2018, and June 30, 2019, made pursuant to KRS 43.050(2)(e).

On behalf of the Office of Financial Audits of the Auditor of Public Accounts, I wish to thank the employees of the Department for Facilities and Support Services for their cooperation during the course of our examination. Should you have any questions concerning this report, please contact Libby Carlin, Executive Director, Office of Financial Audits.

Respectfully submitted,

Mike Harmon  
Auditor of Public Accounts





# **REPORT OF THE EXAMINATION OF LEASE LAW COMPLIANCE**

**Made Pursuant To  
KRS 43.050(2)(e)**

**For The Years Ended  
June 30, 2018, and June 30, 2019**



**MIKE HARMON  
AUDITOR OF PUBLIC ACCOUNTS  
[www.auditor.ky.gov](http://www.auditor.ky.gov)**

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**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

Honorable Matt Bevin, Governor  
William M. Landrum III, Secretary, Finance and Administration Cabinet  
Robert M. Burnside, Commissioner, Department for Facilities and Support Services

Independent Accountant's Report

We have examined real property leases awarded by the Finance and Administration Cabinet (FAC) for compliance with KRS 48.111 and 56.800 through 56.823, Kentucky's Lease Law, for fiscal years ended June 30, 2018, and June 30, 2019. FAC's management is responsible for compliance with the requirements of Kentucky's Lease Law. Our responsibility is to express an opinion on management's compliance with Kentucky Lease Law based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether FAC complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether FAC complied with Kentucky's Lease Law. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on FAC's compliance with specified requirements.

In our opinion, FAC complied, in all material respects, with Kentucky's Lease Law during fiscal years ended June 30, 2018, and June 30, 2019.

Respectfully submitted,

Mike Harmon  
Auditor of Public Accounts

August 13, 2019



**Model Audit Program Checklist for Lease Law Compliance  
Postsecondary Education Institutions**

Beginning with fiscal year 2005-06 audit, and annually thereafter, each postsecondary institution will complete an examination of its real property leasing procedures to comply with the provisions of KRS 56.800 through 56.823, KRS 48.111, and KRS 48.190. These compliance examinations are to be completed, by the institution's external auditor, in accordance with the minimum standards provided by the model audit program checklist as described herein.

The following model audit program checklist for reviewing a university's compliance with Kentucky Lease Laws, KRS 56.800 through 56.823, should be used for any lease of real property implemented during the fiscal year, regardless of the lease duration or funding source.

1. Document an understanding of the university's compliance control structure relating to the securing and executing of leases of real property. This may also include a review of the university's procurement process, and those provisions of KRS 164A.555 through 164A.630 relating to the lease of real property by the university.
2. Obtain schedules of lease information (property leases, renewals, lease modifications, built-to-suit leases, and emergency leases) for the audit period under review from the university personnel.
3. At a minimum, perform tests of compliance in the following areas to ensure leases of real property were awarded in accordance with the procedures outlined in KRS 56.800 through 56.823.
  - I. **56.803**-Procedures when agency requests space
  - II. **56.805**-Lease of space in building owned by a governmental unit or space required because of emergency
  - III. **56.806**-Terms of Lease-Calculation of rent-Option to purchase-Lease purchase agreement-Right to cancel lease

**Model Audit Program Checklist for Lease Law Compliance  
Postsecondary Education Institutions**

- IV. **56.809**-Statement of owners of property to be furnished to cabinet-New Statement required under certain conditions
  - V. **56.813**-Request for additional space-Improvements in premises-Amendment or modification of leases-Emergency modification-Register of proposed lease modifications
  - VI. **56.814**-Employees forbidden to disclose information prior to advertisement
  - VII. If the university has executed a built-to-suit lease, compliance with KRS **56.8161** through **56.8179** and **56.820** must be reviewed
  - VIII. **56.819**-Procedure upon change in ownership of leased premises
  - IX. **56.823**-Reports on leases, exercise of options to purchase, completion of lease-purchase agreements, and lease modifications to Capital Projects and Bond Oversight Committee
4. **Sample Size**-If there are ten (10) or fewer leases of real property executed by the university for the fiscal year under review, then all of the leases should be reviewed for compliance.
5. The review of the above Kentucky Revised Statutes for compliance should include the auditor's documentation of the testing procedures performed, sample selection methods, and summary of the auditor's results. This information shall be transmitted as the university's lease law compliance report to the Council on Postsecondary Education. The Council on Postsecondary Education will forward copies of the lease law compliance reports to the Capital Projects and Bond Oversight Committee.



## INDEPENDENT AUDITOR'S REPORT

Board of Regents and Audit Committee  
Eastern Kentucky University  
Richmond, Kentucky  
and  
Kentucky Auditor of Public Accounts  
Frankfort, Kentucky  
and  
Secretary of Finance and Administration Cabinet  
Department of Facilities Management of the  
Commonwealth of Kentucky  
Frankfort, Kentucky  
and  
Governor of Kentucky  
Frankfort, Kentucky  
and  
Council on Postsecondary Education  
Frankfort, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States, the financial statements of Eastern Kentucky University (the "University") and its discretely presented component unit, collectively, a component unit of the Commonwealth of Kentucky, which are comprised of the statement of net position as of June 30, 2019, and the statement of revenues, expenses and changes in net position and the statement of cash flows, for the year then ended. The discretely presented component unit's financial statements are comprised of the statement of financial position as of June 30, 2019 and the statement of activities for the year then ended. We have issued our report thereon dated October 11, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that the provisions of KRS 56.800 through 56.823, KRS 48.111 and KRS 48.190 as well as the Model Audit Program Checklist for Lease Law Compliance for Postsecondary Education Institutions applied to the University during the year ended June 30, 2019, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of the applicability of such requirements. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the applicability of such requirements, insofar as they relate to accounting matters.

The report is intended solely for the information and use of the Board of Regents, the Audit Committee, and management of Eastern Kentucky University and is not intended to be and should not be used by anyone other than these specified parties.

  
Crowe LLP

Louisville, Kentucky  
October 11, 2019

Eastern Kentucky University  
Schedule of New and Renewed Property Leases  
For the year ended June 30, 2019

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No new or renewed real property leases for the year ended June 30, 2019.



Crowe LLP  
Independent Member Crowe Global

## INDEPENDENT ACCOUNTANT'S REPORT

Board of Regents and Audit Committee  
Kentucky Community and Technical College System  
Versailles, Kentucky  
and  
Kentucky Auditor of Public Accounts  
Frankfort, Kentucky  
and  
Secretary of Finance and Administration Cabinet  
Department of Facilities Management of the  
Commonwealth of Kentucky  
Frankfort, Kentucky  
and  
Governor of Kentucky  
Frankfort, Kentucky  
and  
Council on Postsecondary Education  
Frankfort, Kentucky

We have examined Kentucky Community and Technical College System's ("System") compliance with the requirements of KRS 48.111 and 56.800 through 56.832, Kentucky's Lease Law, regarding the accompanying schedule of new and renewed real property leases awarded by the Finance and Administration Cabinet for the year ended June 30, 2019. The System's management is responsible for the System's compliance with the specified requirements. Our responsibility is to express an opinion on the System's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the System complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the System complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the System's compliance with specified requirements.

In our opinion, the System complied, in all material respects with the aforementioned requirements for the year ended June 30, 2019.

This report is intended solely for the information and use of the System and its Board of Regents and Audit Committee, Governor of Kentucky, Secretary of Finance and Administration Cabinet, Department for Facilities Management of the Commonwealth of Kentucky, Kentucky Auditor of Public Accounts and Council on Postsecondary Education and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Crowe LLP' in a cursive, stylized font.  
Crowe LLP

Lexington, Kentucky  
October 4, 2019

**KENTUCKY COMMUNITY AND TECHNICAL COLLEGE SYSTEM**

Schedule of New and Renewed Real Property Leases

For the year ended June 30, 2019

<b>Property</b>	<b>College</b>	<b>Location</b>	<b>Start Date</b>	<b>End Date</b>	<b>Renewal</b>	<b>Annual Cost</b>
Shelby Campus Classroom Building	JCTC	Shelby County, Kentucky	5/15/2018	6/30/2025	No	\$198,000
Portland Works Classroom Training	JCTC	Louisville, Kentucky	8/1/2018	6/30/2021	No	\$198,360



Crowe LLP  
Independent Member Crowe Global

## INDEPENDENT AUDITOR'S REPORT

Board of Regents  
Kentucky State University  
Frankfort, Kentucky  
and  
Kentucky Auditor of Public Accounts  
Frankfort, Kentucky  
and  
Secretary of Finance and Administration Cabinet  
Department of Facilities Management of the  
Commonwealth of Kentucky  
Frankfort, Kentucky  
and  
Governor of Kentucky  
Frankfort, Kentucky  
and  
Council on Postsecondary Education  
Frankfort, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the business-type activities and discretely presented component unit of Kentucky State University ("University"), a component unit of the Commonwealth of Kentucky, as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that the provisions of KRS 56.800 through 56.823, KRS 48.111 and KRS 48.190 as well as the Model Audit Program Checklist for Lease Law Compliance for Postsecondary Education Institutions applied to the University during the year ended June 30, 2019, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of the applicability of such requirements. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the applicability of such requirements, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Regents and management of the University and is not intended to be and should not be used by anyone other than these specified parties.

*Crowe LLP*

Crowe LLP

Lexington, Kentucky  
December 3, 2019



Lease Law Compliance

for

**MOREHEAD STATE UNIVERSITY**

Year Ended June 30, 2019  
with Independent Accountants' Report Thereon

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### Independent Accountants' Report

Secretary of Finance and  
Administration Cabinet of the  
Commonwealth of Kentucky

We have examined real property leases of Morehead State University ("the University") as of June 30, 2019 and for the year then ended, for compliance with KRS 48.111, 48.190, 56.800 through 56.823, and 164A.575 ("Kentucky's Lease Law"). The University's management is responsible for compliance with the requirements of Kentucky's Lease Law. Our responsibility is to express an opinion on the University's compliance based on our examination.

Our examination was conducted in accordance with U.S. attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included examining, on a test basis, evidence about management's compliance with Kentucky's Lease Law and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of management's compliance with specified requirements.

In our opinion, the University complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2019.

This report is intended solely for the information and use of Morehead State University and the officials of the Finance and Administration Cabinet of the Commonwealth of Kentucky, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Dean Dorton Allen Ford, PLLC". The signature is written in a cursive, flowing style.

October 1, 2019  
Lexington, Kentucky

## MOREHEAD STATE UNIVERSITY

### 1. Procedures

In planning and performing our compliance audit of Kentucky's Lease Law for the year ended June 30, 2019, we considered the University's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the University's compliance and not to provide assurance on internal controls.

During the year ended June 30, 2019, the University entered into no new leases and renewed seven leases. In performing our compliance procedures we reviewed and tested the following items relating to the leases:

- Seven renewed leases were tested for compliance (KRS 56.806(1)). Section 1 allows the state an option to renew an expired lease for the same terms and conditions as the original lease.
- Seven leases were tested for compliance (KRS 48.111, 48.190, 56.800 through 56.823, and 164A.575). The seven leases selected for testing were also tested for the terms of the lease KRS 56.806(1) and 56.806(3).

No findings were noted as a result of our procedures.

## Independent Accountants' Report

Ms. Jacklyn K. Dudley  
Vice President of Finance and Administrative Services  
Murray State University  
322 Sparks Hall  
Murray, KY 42071

During the year ended June 30, 2019 Murray State University did not enter into any new leases and renewed two existing leases for real property.

We have examined real property leases of Murray State University (the University) for compliance with KRS 48.111, 48.190, and 56.800 through 56.823 (Kentucky's Lease Law) during fiscal year ended June 30, 2019. The University's management is responsible for compliance with the requirements of Kentucky's Lease Law. Our responsibility is to express an opinion on the University's compliance based on our examination.

Our examination was conducted in accordance with U.S. attestation standards established by the American Institute of Certified Public Accountants, and accordingly, included examining, on a test basis, evidence about management's compliance with Kentucky's Lease Law and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of management's compliance with specified requirements.

In our opinion, the University complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2019.

This report is intended solely for the information and use of Murray State University, the Kentucky Council on Postsecondary Education and the officials of the Finance and Administration Cabinet of the Commonwealth of Kentucky, and is not intended to be and should not be used by anyone other than these specified parties.

*Dean Dorton Allen Ford, PLLC*

October 2, 2019  
Louisville, Kentucky

## **Murray State University**

### **Lease Law Compliance Comments & Recommendations**

#### **1. Procedures**

In planning and performing our compliance audit of Kentucky's Lease Law for the year ended June 30, 2019, we considered the University's internal control in order to determine our auditing procedures for purpose of expressing an opinion on the University's compliance and not to provide assurance on internal controls.

During the year ended June 30, 2019, the University entered into two renewals. In performing our compliance procedures we reviewed and tested the following items relating to the lease renewals:

- Two renewals were tested for compliance (KRS 56.806). KRS 56.806 establishes the initial term of the lease and allows for automatic renewals under the same terms and conditions, and allows for a lease-purchase option and a right to cancel the lease. One lease fell into proper automatic renewal. The other lease was determined by the University to not be subject to the provisions of KRS 56.806.

October 4, 2019

Board of Regents and Audit Committee  
Northern Kentucky University  
Highland Heights, Kentucky  
and  
Kentucky Auditor of Public Accounts  
Frankfort, Kentucky  
and  
Secretary of Finance and  
Administration Cabinet, Department  
for Facilities Management of the  
Commonwealth of Kentucky  
Frankfort, Kentucky  
and  
Governor of Kentucky  
Frankfort, Kentucky  
and  
Council on Postsecondary Education  
Frankfort, Kentucky

During the year ended June 30, 2019, Northern Kentucky University did not enter into any new leases and did not renew any existing leases for real property. Therefore, procedures related to Kentucky Revised Statutes (KRS) § 48.111 and 56.800 through 56.832 (Kentucky Lease Law) were not performed.



James E. Creeden, Jr., CPA  
Partner

## Independent Accountant's Report

Board of Trustees and Audit Committee  
University of Kentucky  
Lexington, Kentucky  
and  
Kentucky Auditor of Public Accounts  
Frankfort, Kentucky  
and  
Secretary of Finance and  
Administration Cabinet of the  
Commonwealth of Kentucky  
and  
Department for Facilities Management  
of the Commonwealth of Kentucky  
and  
Council on Postsecondary Education  
and  
Governor of Kentucky  
Frankfort, Kentucky

We have examined management of the University of Kentucky's (University) assertion that the accompanying schedule of the new and renewed real property leases awarded by the Finance and Administration Cabinet is complete and that, for each of the leases in the accompanying schedule, the University has complied with the requirements of Kentucky Revised Statutes (KRS) 48.111 and 56.800 through 56.832 (Kentucky's Lease Law) for the year ended June 30, 2019. The University's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is presented in accordance with (or based on) the criteria, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, management's assertion that the schedule of the new and renewed real property leases of the University for the year ended June 30, 2019, is complete and presented in accordance with (or based on) the requirements of Kentucky's Lease Law is fairly stated, in all material respects.

Board of Trustees and Audit Committee  
University of Kentucky  
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This report is intended solely for the information and use of the University and its board of trustees and audit committee, Kentucky Auditor of Public Accounts, Secretary of Finance and Administration Cabinet of the Commonwealth of Kentucky, Department for Facilities Management of the Commonwealth of Kentucky, Council on Postsecondary Education and Governor of Kentucky and is not intended to be, and should not be, used by anyone other than these specified parties.

*BKD, LLP*

Louisville, Kentucky  
October 4, 2019

LEASE LAW  
Kentucky's Lease Law  
6/30/2019

	Client File Reference	Fayette	LESSOR	LESSEE	Governmental Unit/Emergency	DESCRIPTION	BEGIN	END	AGGREGATE ANNUAL PAYMENTS	RENEWAL OPTION	RENEWAL TERM	RENEWAL EXTENSIONS
1	PR 8021	N	Wilbert Perkins	Agronomy	N/N	256 Perkins Lane Frankfort KY	7/1/2018	6/30/2021	4,500.00	N		
2	PR 8052	N	Henderson County District Board	Co-op Extension	Y/N	3341 St Rte 351E Henderson KY	7/1/2014	6/30/2015 (2019)	13,500.00	Y	24 mo	2
3	PR 8076	N	Sapper6 Properties, LLC	Co-op Extension	N/N	615 N. Mulberry Elizabethtown KY	7/1/2018	6/30/2020 (2023)	10,593.00	Y	12 mo	3
4	PR8121 and addendum	Y	Creekside South, LLC	Center on Aging	N/N	1030 S. Broadway Lexington KY	7/1/2013	6/30/2016 (2020)	81,897.62	Y	24 mo	2
5	PR 8132	Y	B&C Investments	KY Injury Prevention	N/N	333 Waller Lexington KY	1/15/2018	06/30/2020 (2024)	90,053.70	Y	12 mo	4
6	PR 8140	Y	Associates Warehouse	several departments	N/N	Storage Space @ Price Road	7/1/2016	6/30/2018 (2020)	\$2.25 per sf	Y	24 mo	1
7	PR 8192	N	Krausman Properties, LLC	Small Bus. Dev.	N/N	1376 Wingard Dr. Radcliff KY	7/1/2017	6/30/2018 (2020)	10,000.00	Y	12 mo	2
8	PR 8195	N	The Blair Bldg LLC	KY Cancer	N/N	291 E Main St. Morehead KY 40351	7/1/2018	6/30/2019 (2021)	2,999.20	Y	12 mo	2
9	PR 8203	Y	Encompass Health*	PM&R	NN	2050 Versailles Road Lexington KY 40504	7/1/2017	6/30/2019	68,562.00	N		
10	PR 8203 Addendum	Y	Encompass Health*	Spine & Brain	NN	2050 Versailles Road Lexington KY 40504	7/1/2017	6/30/2019	20,430.00	N		
11	PR 8205 and addendum	Y	Southcreek Park Partnership	KY Cancer Info Services	N/N	2365 Harrodsburg Rd. Bldg A Lexington KY 40504	7/1/2016	6/30/2018 (2023)	110,154.72	Y	12 mo	5
12	PR 8219	Y	Southcreek Park Partnership	Markey Cancer	N/N	2365 Harrodsburg Rd. Suite 8210 Lexington KY 40504	7/1/2016	6/30/2018 (2023)	81,804.36	Y	12 mo	5
13	PR 8228	Y	465 East High LLC	Behavioral Science	NN	465 E High St	7/1/2015	6/30/2016 (2020)	59,940.24	Y	12 mo	4
14	PR 8238	N	Christian County Agriculture Found	Agromny	NN	Christian County Ag Foundation 2850 Pembroke Rd Hopkinsville KY 42240	7/1/2016	6/30/2018 (2019)	22,770.00	Y	12 mo	1
15	PR 8245	N*	P Street Associates	Federal Relations	NN	Washington Apartment	1/15/1996	ongoing	21,939.00	Y	continues annually	
16	PR 8269	Y	Central KY FCLA	IRIS Project	NN	640 S. Broadway Lexington KY 40508	5/1/2018	6/30/2020	7,560.00	N		
17	PR 8274	Y	Keith National Corporation	Surplus Property	NN	771 West Main Street Lexington KY	7/1/2013	6/30/2015 (2019)	22,680.00	Y	24 mo	2
18	PR 8275	Y	Coldstream Ventures One, LLC	IHDI	NN	1525 Bull Lea Lex 40502	7/1/2017	6/30/2018 (2020)	147,373.00	Y	12 mo	2
19	PR 8276	Y	Lowry Group LLC	Family Practice	NN	2355 Hugenard Dr. Lex 40503	10/1/2016	6/30/2018 (2023)	111,147.00	Y	12 mo	5
20	PR 8278	N	John Pellegrini	Behavioral Science	NN	PO Box 983 Whitesburg KY 41858	7/1/2018	6/30/2020 (2023)	13,500.00	Y	12 mo	3
21	PR 8284	Y	KET	WUKY	Y/N	Clays Ferry KY	8/1/2008	6/30/13 (2019)	4,448.00	Y	5yr	1
22	PR 8299	Y	Commerce Lexington	Economic Development	NN	330 East Main Street Lexington	7/1/2015	6/30/2016 (2020)	32,864.04	Y	12 mo	4
23	PR 8303	Y	UKFCU	HR	NN	University of Kentucky Federal Credit Union 2557 Sir Barton Way Lexington KY 40509	4/1/2017	06/30/2018(2021)	80,892.00	Y	12 mo	3
24	PR 8306	Y	Craig East	CCLD	NN	Quinton Ct	7/1/2018	6/30/2019 (2021)	89,717.87	Y	12 mo	2
25	PR 8311	Y	Switco Family Blazer	CTAC	NN	3470 Blazer Pky	7/1/2018	6/30/2019 (2021)	207,181.50	Y	12 mo	2
26	PR 8313	N	Ronald Burnette	CDAR	NN	470 Main Street Hazard KY 41701	7/1/2018	6/30/2020 (2024)	51,696.00	Y	24 mo	2
27	PR 8314	Y	B&C Investments	CDAR	NN	1591 Winchester Rd Ste 100 Lex 40505	7/1/2016	6/30/2019 (2020)	112,124.28	Y	12 mo	
28	PR 8318	N	KMHDC	KYHP	NN	105 Main Street Manchester KY	7/1/2018	6/30/2020 (2023)	4,200.00	Y	12 mo	3
29	PR 8331	N	The Center for Rural Development	Kentucky Transportation	NN	2292 South Hwy 27 Somerset KY 42501	9/1/2012	month to month through 2020	4,200.00	Y	MTM	n/a
30	PR 8332	N	LKLPCommunity Action Council	Rural Cancer Program	NN	398 Roy Campbell Dr Hazard KY 41701	7/1/2017	6/30/2018 (2020)	6,660.00	Y	12 mo	2
31	PR 8333	N	Morehead State University	Physician Practice	Y/N	316 West Second St Morehead KY	7/1/2018	6/30/2020 (2026)	77,965.00	Y	24 mo	3
32	PR 8334	N	Jack Telle	Western KY Dental	NN	629 HWY 68E	7/1/2017	6/30/2018 (2024)	9,000.00	Y	24 mo	3
33	PR 8336	Y	Imperial Waller	Psychology	NN	343 Waller Ave	4/1/2017	06/30/2018 (2020)	15,750.00	Y	12 mo	2
34	PR 8342	Y	Robert Berryman	KY Transportation	NN	710 Phillips Lane Lexington KY	7/1/2018	6/30/2020 (2022)	14,400.00	Y	24 mo	1
35	PR 8344	Y	WG Holdings TN, LLC	CIE	NN	1648 McGrathiana Pkwy Lexington KY	4/1/2013	6/30/2014 (2021)	29,394.00	Y	12 mo	7
36	PR 8353	N	Brenda and Ray Shuler	KYHP	NN	Hwy62 West Beattyville KY	12/1/2017	6/30/2019 (2021)	3,300.00	Y	12 mo	2
37	PR8359	Y	Stookard, LLC	Beh. Health, Aux. Svs	NN	845 Angliana	8/1/2014	6/30/2016 (2022)	616,262.04	Y	24 mo	3
38	PR 8360	Y	Crech & Stafford	HR, Benefits, Know Your RX	NN	210 Malabu Drive Lexington	4/15/2015	6/30/2016 (2022)	53,270.00	Y	24 mo	3
39	PR 8361	N	Hugh Sims III	CoN	NN	317 East Main Street Wilmore	11/17/2014	6/30/2016 (2020)	10,715.28	Y	12mo	4
40	PR 8362	N	KY River District Health Department	KYHP	Y/N	115 East Main Street Whitesburg	1/26/2015	6/30/2016 (2019)	2,320.00	Y	12 mo	2
41	PR 8363	Y	ST Services	CoM	NN	1029 Goodwin Drive	7/1/2016	6/30/2018 (2019)	30,000.00	Y	12 mo	1
42	PR 8365	N	Pinehead, LLC	BH	NN	300 Pinecrest Dr Morehead KY	6/29/2015	6/30/2016 (2020)	10,800.00	Y	24 mo	2
43	PR 8366	Y	WG Holdings, TN, LLC	UK HealthCare	NN	1648 McGrathiana Lexington KY	6/21/2015	6/30/2016 (2023)	209,673.75	Y	12 mo	7
44	PR 8367	N	Hopkins County Health Department	Dental Clinic	NN	Dan A. Martin Dental Clinic site	7/1/2018	6/30/2019 (2020)	13,300.00	Y	12 mos	5
45	PR 8369	Y	Switzer	CoN	NN	2265 Harrodsburg Rd Lexington	9/1/2015	6/30/2016 (2020)	56,700.00	Y	24 mo	2
46	PR 8370	N	Hunt Group	CoA Farm Analysis	NN	1990 Louisville Rd Bowling Green KY	9/1/2015	6/30/2016 (2019)	14,476.00	Y	12 mo	3
47	PR 8372	Y	Regency Office Court	CoN	NN	2201 Regency Rd Lexington KY	10/1/2015	6/30/2016 (2020)	55,606.50	Y	24 mo	2
48	PR 8373	N	Hardy Rentals	KYHP	NN	151 Richmond Rd Irvine KY	9/15/2015	6/30/2016 (2020)	3,300.00	Y	24 mo	2
49	PR 8374	Y	Southcreek	CE Central	NN	2365 Harrodsburg Rd Lexington KY	2/1/2016	6/30/2016 (2022)	74,925.00	Y	24 mo	3
50	PR 8376	N	The Center for Rural Development	CoA Nutrition	NN	2292 South Highway 27 Somerset KY 42501	10/15/2015	year to year ongoing	2,400.00	Y	YTY	n/a
51	PR 8377	N	Marshall County Board of Health	CoD	Y/N	267 Slickback Road Benton KY 42025	5/1/2016	6/30/2016 (2022)	46,384.80	Y	24 mo	3
52	PR 8379	Y	Alidade Bull Lea	Coldstream Admin/RES	NN	1500 Bull Lea Suite 100 Lexington KY	3/1/2016	6/30/2018 (2021)	47,610.00	Y	12 mo	3
53	PR 8380	Y	Alidade Bull Lea	Internal Audit	NN	1500 Bull Lea Suite 201 Lexington KY	4/1/2016	6/30/2018 (2021)	85,320.00	Y	12 mo	3
54	PR 8381	Y	Alidade Bull Lea	Budget	NN	1500 Bull Lea Suite 210 Lexington KY	5/1/2016	6/30/2018 (2021)	61,866.00	Y	12 mo	3
55	PR 8383	Y	Fowler Bell, PLLC	Philanthropy	NN	300 West Vine St Lexington KY	8/8/2016	6/30/2018 (2019)	99,500.00	Y	12 mo	1
56	PR 8384	Y	Crech & Stafford Property Group, Inc.	Philanthropy	NN	210 Malabu Drive Lexington KY	1/1/2019	6/30/2020 (2026)	128,265.30	Y	24 mo	3
57	PR 8389	N	KY Corn Plus, Inc.	CoA	NN	HWY 91 and 139 Princeton KY	8/1/2016	6/30/2018 (2024)	199,000.00	Y	24 mo	3
58	PR 8390	N	Brighton Properties, Inc	CoA Nutrition	NN	11 Shelby Street Florence KY	10/13/2016	6/30/2018 (2021)	17,505.39	Y	12 mo	3
59	PR 8391	Y	KY Finance & Admin Cabinet	CAER	Y/N	Spindletop Admin Building 2624 Adin Drive Lexington	3/29/2017	6/30/2020	113,919.96	Y	12 mo	ongoing

60	PR 8392	Y	Alidade Bull Lea	Social Work	NN	1500 Bull Lea Ste 194 Lexington KY	5/25/2017	6/30/2018 (2022)	93,852.00	Y	12 mo	4
61	PR 8393	Y	Alidade Bull Lea	Nutrition	NN	1500 Bull Lea Ste 120 Lexington KY	5/25/2017	6/30/2018 (2022)	89,586.00	Y	12 mo	4
62	PR 8394	Y	Imperial Waller	SBD	NN	343 Waller Ave Lexington KY	5/15/2017	6/30/2018 (2022)	25,326.00	Y	12 mo	4
63	PR 8395	N	Lawrence County Fiscal Court	CoA Nutrition	YN	180 Bulldog Lane	1/15/2017	6/30/2018 (2020)	3,600.65	Y	12 mo	2
64	PR 8397	N	Jefferson County Farm Bureau	CoA café	NN	4200 Gardiner View AVE	5/1/2017	06/30/2017 (2022)	17,250.00	Y	12 mo	5
65	PR 8399	N	BG Warren Co Community Hospital	College of Medicine	NN	1101 College Street/ 347 US Highway 31-W Bypass	7/1/2018	6/30/2020 (2026)	696,000.00	Y	24 mo	3
66	PR 8401	Y	Malabu Realty	HDI	NN	2358 Nicholasville Rd	9/1/2017	06/30/2018 (2024)	54,510.00	Y	24 mo	3
67	PR 8404	N	Hopkins County Health Department	CoD	YN	412 N Kentucky Ave	7/1/2017	06/30/2018 (2020)	13,300.00	Y	12 mo	5
68	PR 8405	N	Phillip Tackett	Epidemiology	NN	749 W First St Morehead	10/1/2017	06/30/2019 (2022)	7,801.20	Y	12 mo	3
69	PR 8406	N	Regus	CJO	NN	205 SE Spokane St, Ste 301B	10/1/2017	month to month ongoing	13,943.40	Y	MTM	n/a
70	PR 8407	N	Green River District Health Department	CAFE	NN	1501 Breckenridge Owensboro KY	4/9/2018	6/30/2019	1,920.00	N		
71	PR 8408	Y	Imperial Waller	Psychology	NN	343 Waller Avenue Ste. 303	6/1/2018	6/30/2020 (2022)	16,165.80	Y	12 mos	2
72	PR 8410	Y	465 E High St, LLC	Behavioral Health	NN	465 East High Street Suite 200	11/1/2018	6/30/2020 (2023)	47,018.24	Y	12 mos	3
73	PR 8411	Y	Commonwealth of KY - ESH	Beyond Birth	YN	1382 Bull Lea Road	10/1/2018	6/30/2020	141,450.00	N		
74	PR 8413	N	Dean L. Hughes and Kdly Hughes	CAFE	NN	1030 West Main Street, Princeton	11/1/2018	4/30/2019 (9/30/19)	6,000.00	N		
75	PR 8414	N	Ky Highlands Innovation Center	CEDIK	NN	440 Old Whitley Road London KY	9/1/2018	6/30/19 (2020)	960.00	Y	12 mo	1
76	PR 8415	Y	Imperial Waller	Psychology	NN	343 Waller Ave Suite 301	2/1/2019	6/30/2020 (2024)	16,775.00	Y	24 mo	2
77	PR 8417	Y	Bicknell & Cravens	OB-GYN	NN	333 Waller Avenue Suite 240	6/1/2019	6/30/2020 (2023)	23,302.95	Y	12 mo	3
78	PR 8418	N	Gateway District Health Dept	Be. Health	YN	730 West Main Street	3/1/2019	6/30/20 (2024)	8,400.00	Y	24 mo	2
79	PR 8420	Y	Running Start	Research	NN	110 West Vine	5/1/2019	6/30/2020	20,400.00	N		
80	PR 8421	N	Madisonville Community College	CAFE	YN	2000 College Street Madisonville KY	1/1/2019	6/30/20 (2023)	1,800.00	Y	12 mo	3
81	PR 8422	N	Bee & Clover	CEDIK	NN	115 S. Main Winchester KY	5/15/2019	6/30/2020 (2021)	14,400.00	Y	12 mo	1



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## INDEPENDENT AUDITORS' REPORT

Board of Trustees and Audit Committee  
University of Louisville  
Louisville, Kentucky  
and  
Kentucky Auditor of Public Accounts  
Frankfort, Kentucky  
and  
Secretary of Finance and Administration Cabinet  
Department of Facilities Management of the  
Commonwealth of Kentucky  
Frankfort, Kentucky  
and  
Governor of Kentucky  
Frankfort, Kentucky  
and  
Council on Postsecondary Education  
Frankfort, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the University of Louisville and Affiliated Corporations (University) and its aggregate discretely presented component units, which comprise the statement of net positions as of June 30, 2019, and the related statement of revenues, expenses and changes in net position and the statement of cash flows, for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 3, 2019. Our report includes a reference to other auditors who audited the financial statements of the University of Louisville Physicians, Inc., the University Medical Center, Inc., the University of Louisville Real Estate Foundation, Inc. and University of Louisville Foundation, Inc. and Affiliates, as described in our report on the University's financial statements.

In connection with our audit, nothing came to our attention that caused us to believe that the University failed to comply with the provisions of KRS 56.800 through 56.823, KRS 48.111 and KRS 48.190 as well as the Model Program Checklist for Lease Law Compliance for Postsecondary Education Institutions, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the University's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of New and Renewed Real Property Leases is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

Board of Trustees and Audit Committee  
University of Louisville

In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Board of Trustees, the Audit Committee and management of the University of Louisville and is not intended and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

St. Louis, Missouri  
October 3, 2019

## INDEPENDENT AUDITOR'S REPORT

President Timothy C. Caboni and  
Board of Regents  
Western Kentucky University  
Bowling Green, Kentucky  
and  
Kentucky Auditor of Public Accounts  
Frankfort, Kentucky  
and  
Secretary of Finance and Administration Cabinet  
Department of Facilities Management of the  
Commonwealth of Kentucky  
Frankfort, Kentucky  
and  
Governor of Kentucky  
Frankfort, Kentucky  
and  
Council on Postsecondary Education  
Frankfort, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Western Kentucky University ("University"), a component unit of the Commonwealth of Kentucky, which is comprised of the statement of net position as of June 30, 2019, and the statement of revenues, expenses and changes in net position and the statement of cash flows, for the year then ended, and the related notes to the financial statements. We have issued our report thereon dated October 4, 2019.

In connection with our audit, nothing came to our attention that caused us to believe that the provisions of KRS 56.800 through 56.823, KRS 48.111 and KRS 48.190 as well as the Model Audit Program Checklist for Lease Law Compliance for Postsecondary Education Institutions applied to the University during the year ended June 30, 2019, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of the applicability of such requirements. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the applicability of such requirements, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of Regents and management of Western Kentucky University and is not intended to be and should not be used by anyone other than these specified parties.



Crowe LLP

Louisville, Kentucky  
October 4, 2019