



Mission: To provide life-enriching experiences to older adults through a broad range of housing and support services that reflect the spiritual, social, and cultural values of Jewish tradition.

Vision: To support our main campus and seek related locations that support Jewish and other seniors in their quest to age gracefully and stay connected in their communities.

**Kavod Senior Life
Board of Directors
Agenda**

**Monday, April 20, 2019
5:30pm**

	Item	Presenter	Action
5:30 pm	Welcome, Call to Order, Quorum Determination and Agenda Review	Rob Friedman	
5:32 pm	Consent Agenda <ul style="list-style-type: none"> • February 2019 Board Minutes • January/February Financials • Fiscal Committee Minutes • Kavod Senior Housing & Services Board Minutes • Resident & Community Services Minutes 	Rob Friedman	Approval
5:35 pm	Shalom Park Presentation (Update on current services and strategic Plan)	Marc Penner Andy Heins	Informational
5:50 pm	Presentation of the 2018 Audit Report by Eide Bailey	Peggy Jennings, Eide Bailey	Approval
6:05 pm	Ad Hoc Building/ Fiscal Committees Update	Brian Botnick Connell Saltzman Michael Klein Mike Belieu	Informational
6:20 pm	Update on Summer Fundraiser	Melanie Siegel Molly Zwerdlinger	Informational
6:25 pm	President/CEO Report	Michael Klein	Informational
6:35 pm	Chairman's Report	Rob Friedman	Informational
6:50pm	Announcements <ul style="list-style-type: none"> • Announcements – upcoming calendar items • Next meeting date/time 	Rob Friedman	
6:52 pm	Adjournment		

NEXT MEETING June 24, 2019



Kavod Senior Life
Board of Directors
Board Meeting
February 25, 2019

Present: Daniel Bennett, Brian Botnick, Sharon Caulfield, Glenn Cooper, Ondalee Kline, Michelle Lueck, Perry Moss, Debbie Reinberg, Melanie Siegel, and Steven Summer. Via Zoom Conferencing: Rachel Cohen, Dr. Kerry Hildreth, Jamie Sarche, Connell Saltzman, and Molly Zwerdinger. Staff: Michael Klein, Michael Belieu, Tracy Kapaun, and Jennifer Grant. Guest: David Fogel

A quorum being established, Mr. Perry Moss called the meeting to order on the behalf of Mr. Rob Friedman who was unable to attend. The Consent Agenda: approval of the February 25, 2019 Board agenda, approval of Board Minutes of December 2018, Committee Reports –November/December financials, Fiscal Committee Minutes, Strategic Planning Minutes, and Resident and Community Services Minutes (all items were distributed prior to the meeting) were presented for approval. Mr. Cooper moved for approval of the Consent Agenda with a second by Mr. Summer. The motion passed.

Mr. David Fogel, the Kavod Senior Life's representative to the Jewish Community Relations Council (JCRC), provided an update to the board on various state legislative bills the council is monitoring. Mr. Fogel invited all Board members to attend the Annual JCRC Luncheon and Lobby Day at the State Capital on March 12th. The JCRC is honoring Noel Ginsburg.

Ms. Reinberg presented the 2019-2023 Kavod Senior Life Strategic Plan Framework. She stated that each Board member received a copy of the proposed Strategic Plan in the Board packet. Besides reviewing the highlights of the research involved in the plan, Ms. Reinberg presented the four strategic goals for the plan:

1. Continue to improve quality of life for Kavod's current residents
2. Continue to explore opportunities for developing moderate-income housing
3. Serve as a local leader in supporting older adults aging in community as well as the convener of local older adult agencies, especially those serving Jewish older adults
4. Build financial resilience through cost efficiencies and diversifying revenue streams.

Ms. Reinberg stated since the retreat the committee has moved forward with the following:

- The Strategic Planning Committee revised the plan's draft and started to identify appropriate metrics for evaluating Kavod's progress towards attaining its goals.
- The chairs and staff prepared a public version to share with stakeholders

Going forward, senior staff will begin researching programs opportunities to achieve the new goals. She indicated that by April 30, the staff will have a draft identifying potential programs that pass the strategy screen; developed a budget for new funding needs; and form a 12- month action plan for implementation.

The Board added their feedback and Ms. Reinberg assured the board that the Strategic Planning Committee will work closely with the Board and staff to make sure the goals are achievable. Ms. Reinberg moved to accept the strategic plan framework as presented. Michele Lueck seconded the motion. The motion passed.

As part of the on-going Board education, Ms. Jennifer Grant and Ms. Tracy Kapaun provided the Board with information on the results of the recent Resident Satisfaction Survey for both independent living and assistant living. The survey covered: customer service, quality of services, quality of life, maintenance and facilities, spiritual needs, and demographics. As in the past the majority of the residents, as measured by rating Kavod 'good' or 'excellent', indicated they were pleased with the overall programs and services we deliver. Ms. Grant noted the biggest positive changes in the survey categories from previous years for assisted living were improvement in afternoon care partners, opportunities in the health and wellness center, the Voice newsletter and residents recommending Kavod to family and friends. Ms. Kapaun noted that for independent living there was marked improvement for health and wellness, leasing, life enrichment, and support from the night managers. Both Ms. Grant and Ms. Kapaun indicated that all departments involved in the survey have been provided the results and data thus allowing the departments to establish department goals and responses to the survey data. They also reviewed areas where scores could be improved and discussed how this was being addressed in the coming year. It was shared that a general overview was provided to the residents via Resident Council as well as in the resident newsletter.

Mr. Botnick presented the Ad-Hoc Building Committee report. He reported that the committee has received the fire suppression report from Jensen Hughes, who recommended our primary focus to be have a fully sprinkler fire system in all three buildings. The staff and the Committee are working to finalize pricing for the sprinklers with Pinkard, to understand the scope/cost of the asbestos abatement in the West building, and to get the permit from the fire department with the understanding that we are an evacuation building. Staff will need to develop a new emergency/evacuation procedures for the residents. Mr. Botnick advised the Board the plan was to remove non-critical items from the scope to keep within the original budget of \$11.9m. It is anticipated that the sprinkler and the related abatement will be a significant part of the overall budget. He noted that if the sprinkler system costs are higher or additional work needs to be done the team will make additional cuts to the original scope of work. It was felt that the safety of our residents is a high priority. Once all issues have been resolved a new budget will be presented to the Board for review and approval. He noted that the rest of the construction/remodel is on hold until the final scope has been determined.

Mr. Klein provided the CEO/President's report by first thanking newest members of the Legacy Society and providing them with their membership pins. He also announced that our Elaine Wolf L'Vor D'Vor Award recipients for this year are Perry and Suzie Moss. The event honoring Mr. & Mrs. Moss will take place on August 15th at the Great Divide Brewery. Mr. Klein showed a short video of our residents' WII Bowling Team that was shown on the Daily Blast Live which airs on KUSA. Mr. Klein advised that through Rose Community Foundation we received a grant for \$68,000 to purchase exercise equipment to benefit the nearly 70 percent of their residents with osteoarthritis or rheumatoid arthritis. The grant will also allow us to replace doorknobs with levers throughout our apartments as well as for us to purchase 2 new Nu-steps for the Health & Wellness Center. He also advised that we received a \$31,000 grant from the Sephardic Foundation for our Kavod on the Road program.

Since Mr. Friedman was not available for the meeting a Chairman's report was not presented.

Meeting adjourned at 6:50pm

Financial Statements
December 31, 2018

**Allied Housing, Inc. and Affiliates
d/b/a Kavod Senior Life**

Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life

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Independent Auditor's Report

The Board of Directors
Allied Housing, Inc. and Affiliates
d/b/a Kavod Senior Life
Denver, Colorado

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life which comprise the consolidated statement of financial position as of December 31, 2018, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Denver, Colorado
April __, 2019

Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life
Consolidated Statement of Financial Position
December 31, 2018

Assets	
Cash and cash equivalents	\$ 5,648,173
Accounts receivable	26,066
Promises to give	80,400
Investment portfolio	8,002,296
Tenant security deposits	150,957
Prepaid expenses and other assets	276,203
Beneficial interest in assets held by Rose Community Foundation	76,866
Property and equipment, net	9,989,149
Total assets	<u>\$ 24,250,110</u>
Liabilities	
Accounts payable	\$ 230,272
Accrued expenses	224,456
Tenant security deposits payable	142,549
Note payable, net of debt issuance costs	8,863,097
Total liabilities	<u>9,460,374</u>
Net assets	
Without donor restrictions	
Discretionary	1,742,950
Board-designated for improvements	4,958,483
Partner's equity	6,740,368
Invested in property and equipment, net of related debt	1,126,052
Total net assets without donor restrictions	14,567,853
With donor restrictions	221,883
Total net assets	<u>14,789,736</u>
Total liabilities and net assets	<u>\$ 24,250,110</u>

Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life
 Consolidated Statement of Activities
 Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Net tenant rent revenue	\$ 1,540,974	\$ -	\$ 1,540,974
Tenant assistance payments	5,827,609	-	5,827,609
Food service revenue	1,031,930	-	1,031,930
Assisted living services	992,665	-	992,665
Other elderly care income	24,493	-	24,493
Contributions	339,893		

Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life
Consolidated Statement of Functional Expenses
December 31, 2018

	Program	Management and General	Fundraising	Total
Salaries, taxes, and benefits	\$ 3,633,058	\$ 522,511	\$ 130,343	\$ 4,285,912
Building maintenance	1,323,023	41,130	6,855	1,371,008
Depreciation	1,045,126	32,530	5,422	1,083,078
Food service	808,117	-	-	808,117
Office costs	59,955	293,751	14,989	368,695
Interest	382,334	11,845	1,974	396,153
Professional services	14,059	192,681	27,000	233,740
Tenant activities	188,405	-	-	188,405
Insurance	170,747	5,309	884	176,940
Information technology	20,807	78,026	5,202	104,035
Advertising and promotion	6,258	56,324	-	62,582
Staff training and development	-	33,762	-	33,762
	<u>\$ 7,651,889</u>	<u>\$ 1,267,869</u>	<u>\$ 192,669</u>	<u>\$ 9,112,427</u>

Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life
Consolidated Statement of Cash Flows
Year Ended December 31, 2018

Operating Activities	
Cash received from rentals and services	\$ 9,504,853
Cash received from contributions	317,705
Cash received from investment portfolio and other	214,100
Cash paid to vendors	(3,964,648)
Cash paid to salaries, benefits and taxes	(4,285,912)
Net cash flows from operating activities	<u>1,786,098</u>
Investing Activities	
Release of restricted deposits and funded reserves	440,541
Interest and dividends reinvested	(202,330)
Purchase of investments	(2,249,248)
Purchase of property and equipment	(944,783)
Net cash flows (used for) investing activities	<u>(2,955,820)</u>
Financing Activities	
Payment of debt issuance costs	(135,811)
Proceeds from issuance of long-term debt	9,000,000
Principal payments on long-term debt	(4,942,892)
Net cash flows from financing activities	<u>3,921,297</u>
Net Change in Cash and Cash Equivalents	2,751,575
Cash and Cash Equivalents, Beginning of Year	2,896,598
Cash and Cash Equivalents, End of Year	<u>\$ 5,648,173</u>
Supplemental Disclosure of Cash Flow Information	
Cash payments for interest	<u>\$ 352,860</u>
Noncash investing activity	
Increase in property and equipment from accounts payable	<u>\$ 199,580</u>

Note 1 - Principal Business Activity and Significant Accounting Policies

History and Business Activity

Allied Housing, Inc. (“AHI”) and Allied Housing South, Inc. (“AHSI”) were organized in 1968 and 1982, respectively, as not-for-profit corporations under the laws of the state of Colorado to develop and operate low income housing projects primarily for seniors in Denver, Colorado. These projects are subsidized by U.S. Department of Housing and Urban Development (“HUD”) programs as noted below.

Allied Jewish Apartments Foundation (“Foundation”) was established in 2006 as a nonprofit corporation under the laws of the state of Colorado and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code to provide support for the mission of AHI and AHSI. Board members of AHI and AHSI comprise the majority of the board members of Foundation.

Allied Housing East, LLLP (“East”) was organized in 2011 as a Colorado limited partnership to own and operate a 159-unit housing complex, located in Denver, Colorado, under Section 221(d)(3) of the National Housing Act. East has entered into a Section 8 rental subsidy contract on the 159 units with HUD that extends until April 2031 which subsidizes tenant rents. Substantially all of East’s income is derived from the rental of its apartment units and its food service program.

Allied Housing West, LLLP (“West”) was organized in 2011 as a Colorado limited partnership to own and operate a 142-unit housing complex (including 26 assisted living units and 13 market-rate units), located in Denver, Colorado under Section 221(d)(3) of the National Housing Act. West has entered into a Section 8 rental subsidy contract on 103 units with HUD that extends until March 2031 which subsidizes tenant rents. West provides tenants of the 26 assisted living units with services including three meals a day, medication supervision, and overall 24-hour supervision. Substantially all of West’s income is derived from the rental of its apartment units and assisted living services.

Allied Housing South, LLLP (“South”) was organized in 2011 as a Colorado limited partnership to own and operate a 96-unit housing complex, located in Denver, Colorado, under Section 221(d)(3) of the National Housing Act. South has entered in to a Section 8 rental subsidy contract with HUD that extends until August 2031 which subsidizes tenant rents. Substantially all of South’s income is derived from the rental of its apartment units.

East operates a food service program which provides one meal a day, six days a week, and charges a fee separate of tenant rent. Participation in the program is a requirement of the tenant lease agreement and tenants may opt out only with a physician’s approval. Tenants of East, West, and South participate in the food service program.

East, West, and South are each owned 1% by AHI, the general partner, and 99% by AHSI, the limited partner.

During 1986, AHI established Assisted Living (“AL”) and converted twenty-six units from regular rental units at West to units associated with AL. The AL program provides the participants with assisted living services including three meals a day, medication supervision, bath supervision and overall twenty-four-hour supervision. AL is funded primarily by monthly payments from participants. Participants who do not have the financial ability to pay these costs are subsidized by Medicaid.

Reporting Entity and Principles of Consolidation

The consolidated financial statements include the accounts of AHI, AHSI, East, West, South, and Foundation. These entities are consolidated because AHI has control and economic interest in the other entities. These entities have common management, attached facilities, and shared employees. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as “we”, “us” or “our”.

Adoption of FASB Accounting Standards Update 2016-14

As of January 1, 2018, we adopted the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-For-Profit Entities*. Accordingly, the accompanying financial statements and related notes follow the net asset classification, presentation, and disclosure requirements prescribed by the ASU.

Cash and Cash Equivalents

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents.

Promises to Give

We record unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discount is included in contribution revenue in the statement of activities. Allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. We consider all promises to give to be collectible as of December 31, 2018.

Receivables and Credit Policy

Accounts receivable are uncollateralized resident and third-party obligations and, as of December 31, 2018, primarily consist of amounts due from Medicaid. The receivables are non-interest bearing. Allowance for uncollectible accounts receivable is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. We consider all receivables to be collectible as of December 31, 2018.

Tenant Security Deposits

Pursuant to management policy and HUD guidelines, we have set aside funds to repay tenant security deposits after lease termination.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Beneficial Interest in Assets Held by Community Foundation

During 1999, the Foundation established a fund that is perpetual in nature (the Fund) under the Rose Community Foundation’s (RCF) Endowment Challenge Program and named ourselves as beneficiary. The Foundation granted variance power to RCF, which allows RCF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of RCF’s Board of Trustees, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by RCF for our benefit and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statement of activities.

Property and Equipment

Property and equipment additions are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the following estimated useful lives:

	Estimated Useful Life
Buildings and improvements	5-40 years
Equipment, furnishings, and fixtures	3-20 years

When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

We review carrying amounts of long-lived assets whenever events or circumstances indicate that such carrying amounts may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment as of December 31, 2018.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or (certain grantor-) imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. From this classification, the governing board has designated net assets for property improvements.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Tenant Rent Revenue

Housing units are rented under operating lease agreements with terms of one year or less. Rent revenue from tenants and rental assistance payments from HUD are recognized in the month in which they are earned rather than received. Any rent received prior to the month of occupancy is reported as prepaid rent. Rent revenue is recorded net of vacancy loss. Vacancy loss is recorded for any unrented units.

Food Service Revenue

Food service revenue is recognized in the month in which it is earned.

Assisted Living Revenue

Assisted living revenue is reported at management established billing rates for private-pay residents and rates established by contract with Medicaid for qualifying residents for those residents electing to receive services. Any assisted living revenue received prior to the month of occupancy is reported as prepaid rent.

Contributions

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Donated Services and In-Kind Contributions

Volunteers contribute significant amounts of time to our program services, management and general and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. We record donated professional services at the respective fair values of the services received. No significant contributions of such goods or services were received during the year ended December 31, 2018.

Advertising

We use advertising to promote our programs amongst the audience we serve, and expense all costs as incurred. For the year ended December 31, 2018 advertising costs totaled \$62,582.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expense that are attributable to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include building maintenance, depreciation, interest, and insurance that are allocated on a square-footage basis, as well as salaries and wages, benefits and taxes, office costs and information technology that are allocated on the basis of estimates of time and effort.

Income Taxes and Tax Status

AHI, AHSI, and the Foundation are organized as Colorado nonprofit corporations and have been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC Section 501(c)(3), qualify for the charitable contribution deduction, and have been determined not to be private foundations. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. We have determined that each entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

East, West, and South are pass-through entities for federal and state income tax purposes. Income (loss) of East, West, and South is allocated 1% to the general partner (AHI) and 99% to the limited partner (AHSI).

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Financial Instrument and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by our Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, our Board believes that the investment policies and guidelines are prudent for our long-term welfare.

East, West, and South receive subsidized tenant rents from HUD in connection with a Section 8 contract. For the year ended December 31, 2018, this supplement represented 79.4%, 75.0%, 83.0%, respectively, of total revenue of each project.

Subsequent Events

We have evaluated subsequent events through April _____, 2019, the date the consolidated financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 5,642,026
Accounts receivable	26,066
Promises to give	42,800
Investment portfolio	3,037,666
	<u>\$ 8,748,558</u>

Cash and cash equivalents include donor restricted funds of \$138,870 which are expected to be spent in the normal course of operations in the next 12 months.

The beneficial interest in assets held by RCF does not have an expenditure policy in place.

The board-designated funds have not been included within the above table as they are not intended to be used for general expenditures.

Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available.

A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets that we can access at the measurement date.

Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life

Notes to Consolidated Financial Statements

December 31, 2018

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset, and market corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk or liquidity profile of the asset.

The majority of investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. The fair value of beneficial interest in assets held by RCF is based on the fair value of fund investments as reported by RCF and this is considered to be a Level 3 measurement.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at December 31, 2018:

	Total	Fair Value Measurement at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Foundation investment portfolio:				
Cash (at cost)	\$ 98,240	\$ -	\$ -	\$ -
Mutual funds:				
Global equity	1,253,807	1,253,807	-	-
Domestic equity	1,551,311	1,551,311	-	-
Domestic fixed equity	1,024,106	1,024,106	-	-
Global real estate	339,494	339,494	-	-
Hedge fund strategies	697,672	697,672	-	-
	<u>4,964,630</u>	<u>4,866,390</u>	<u>-</u>	<u>-</u>
Investment portfolio:				
Cash (at cost)	48,211	-	-	-
Certificates of deposit	1,402,864	-	-	-
Mutual funds:				
Domestic fixed income	1,586,591	1,586,591	-	-
	<u>3,037,666</u>	<u>1,586,591</u>	<u>-</u>	<u>-</u>
Total investment portfolio	<u>\$ 8,002,296</u>	<u>\$ 6,452,981</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in assets held by Rose Community Foundation	<u>\$ 76,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,866</u>

Below is a reconciliation of the beginning and ending balance of beneficial interest in assets held by Rose Community Foundation measured at fair value on a recurring basis using Level 3 inputs for the year ended December 31, 2018:

Beginning balance	\$ 87,210
Investment loss, net	(6,174)
Distributions	(4,170)
Ending balance	\$ 76,866

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows as of December 31, 2018:

Within one year	\$ 42,800
In one to five years	37,600
	\$ 80,400

Promises to give estimated to be collected after one year have not been reduced to present value as we have determined the reduction to be minimal.

Note 5 - Property and Equipment

Property and equipment consists of the following as of December 31, 2018:

Land	\$ 422,361
Buildings and improvements	21,578,895
Equipment, furniture, and furnishings	2,932,137
Construction in progress	581,261
	25,514,654
Less accumulated depreciation	(15,525,505)
	\$ 9,989,149

East has entered into a contract in the amount of \$301,299 for the modernization of an elevator and, as of December 31, 2018, has incurred \$143,117 under the contract, which is included in construction in progress. South has entered into a contract in the amount of \$175,000 for the purchase and installation of an air-cooled chiller and, as of December 31, 2018, has incurred \$137,740 under the contract, which is included in construction in progress.

Note 6 - Note Payable

Note payable consists of the following at December 31, 2018:

4% construction note payable to a financial institution, due in monthly payments of interest only through February 2020, followed by monthly payments of principal and interest through February 2030	\$ 9,000,000
Unamortized debt issuance costs, based on an effective rate at 4.12%	(136,903)
	\$ 8,863,097

During 2018 East and South jointly entered into a \$17,000,000 construction loan agreement with a financial institution. The loan is allocated 60% to East and 40% to South. As of December 31, 2018, \$9,000,000 has been drawn down on the construction note payable. The East and South have used its portion of the loan proceeds to pay off previous mortgages with another financial institution with the remainder of the funds being invested. East and South have until March 2020 to draw the remainder of the loan proceeds. Any proceeds not advanced by this date will be advanced and placed in a lender-controlled account. Management expects to draw down the remaining loan proceeds by March 2020, which will be used for improvements.

The loan is secured by a deed of trust, assignment of leases and rents, security agreement and fixture filing of East and South and on the property of East and South.

The mortgage agreement contains certain covenants related to, among other matters, the maintenance of debt service coverage ratios.

Future maturities of long-term debt, assuming that the entire balance of the loan proceeds will be drawn upon, are as follows:

Year Ending December 31,	Amount
2019	\$ -
2020	246,807
2021	306,958
2022	319,640
2023	332,847
Thereafter	15,930,651
	17,136,903
Unamortized debt issuance costs	(136,903)
	\$ 17,000,000

Note 7 - Board-Designated Funds

Our classification of net assets without donor restrictions include certain funds that have been designated for property improvements by the Board of Directors.

Changes in board-designated net assets were as follows during the year ended December 31, 2018:

Board-designated funds, beginning of year	\$ 5,386,976
Investment loss, net	(428,493)
Board-designated funds, end of year	\$ 4,958,483

Note 8 - Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following at December 31, 2018:

	2018
Subject to expenditure for specified purpose:	
Health and wellness programs	\$ 80,500
Kavod in the City	58,370
Other	6,147
	145,017
Not subject to spending policy or appropriation:	
Beneficial interest in assets held by Rose Community Foundation on behalf of Allied Jewish Apartments Foundation	76,866
	\$ 221,883

Note 9 - Vulnerability Due to Revenue Concentration

We operate in a heavily regulated environment subject to the administrative directives, rules and regulations of federal regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD. Such changes may occur with little notice or inadequate funding to pay the related cost, including the administrative burden, to comply with a change.

For the year ended December 31, 2018, housing assistance payments from HUD were \$2,559,393 received by East, \$1,628,719 received by West and \$1,639,497 received by South for a total of \$5,827,609 reported as tenant assistance payments on the statement of activities.

Note 10 - Retirement Benefits

AHI participates in a defined contribution pension plan and a 403(b) thrift plan for the benefit of its employees. The plans cover all employees over 21 years of age who have worked at least 1,000 hours during the year and have been employed for at least one year. The employee's benefits will fully vest after the employee enters the plan. Contributions made for the pension plan for the year ended December 31, 2018, totaled \$83,622, based on a defined contribution of 3% of covered employees' compensation. Contributions made for the 403(b) thrift plan for the year ended December 31, 2018 totaled \$69,577, based on a matching contribution of 100% of employees' contributions up to a maximum of 4% of covered employees' compensation.

Supplementary Information
December 31, 2018

**Allied Housing, Inc. and Affiliates
d/b/a Kavod Senior Life**

Independent Auditor's Report on Supplementary Information

The Board of Directors
Allied Housing, Inc. and Affiliates
d/b/a Kavod Senior Life
Denver, Colorado

We have audited the consolidated financial statements of Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life as of and for the year ended December 31, 2018 and our report thereon, dated April __, 2019, expressed an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The following supplementary information for the year ended December 31, 2018 is presented for the purpose of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Denver, Colorado
April __, 2019

Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life
Consolidating Schedule of Financial Position
December 31, 2018

	Allied Housing East, LLLP/ West, LLLP/ South, LLLP	Allied Housing, Inc.	Allied Housing South, Inc.	Allied Jewish Apartments Foundation	Consolidating Eliminations	Totals
Assets						
Cash and cash equivalents	\$ 5,188,137	\$ 460,036	\$ -	\$ -	\$ -	\$ 5,648,173
Accounts receivable	26,066	-	-	-	-	26,066
Promises to give	-	80,400	-	-	-	80,400
Investment portfolio	2,249,248	788,418	-	4,964,630	-	8,002,296
Tenant security deposits	150,957	-	-	-	-	150,957
Prepaid expenses and other assets	232,523	43,680	-	-	-	276,203
Due from related party	-	511,918	-	-	(511,918)	-
Investments in limited partnerships	-	78,592	7,780,697	-	(7,859,289)	-
Beneficial interest in assets held by Rose Community Foundation	-	-	-	76,866	-	76,866
Property and equipment, net	9,982,018	7,131	-	-	-	9,989,149
Total assets	\$ 17,828,949	\$ 1,970,175	\$ 7,780,697	\$ 5,041,496	\$(8,371,207)	\$ 24,250,110
Liabilities						
Accounts payable	\$ 228,095	\$ 2,177	\$ -	\$ -	\$ -	\$ 230,272
Accrued expenses	224,001	455	-	-	-	224,456
Tenant security deposits payable	142,549	-	-	-	-	142,549
Due to related party	511,918	-	-	-	(511,918)	-
Note payable, net of debt issuance costs	8,863,097	-	-	-	-	8,863,097
Total liabilities	9,969,660	2,632	-	-	(511,918)	9,460,374
Net assets						
Without donor restrictions						
Discretionary	-	1,742,950	-	-	-	1,742,950
Board designated for improvements	-	-	-	4,958,483	-	4,958,483
Partner's equity	6,740,368	-	-	-	-	6,740,368
Invested in property and equipment, net of related debt	1,118,921	7,131	-	-	-	1,126,052
Invested in limited partnerships	-	78,592	7,780,697	-	(7,859,289)	-
Total net assets without donor restrictions	7,859,289	1,828,673	7,780,697	4,958,483	(7,859,289)	14,567,853
With donor restrictions	-	138,870	-	83,013	-	221,883
Total net assets	7,859,289	1,967,543	7,780,697	5,041,496	(7,859,289)	14,789,736
Total liabilities and net assets	\$ 17,828,949	\$ 1,970,175	\$ 7,780,697	\$ 5,041,496	\$(8,371,207)	\$ 24,250,110

Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life
Consolidating Schedule of Activities
Year Ended December 31, 2018

	Allied Housing East, LLLP/ West, LLLP/ South, LLLP	Allied Housing, Inc.	Allied Housing South, Inc.	Allied Jewish Apartments Foundation	Consolidating Eliminations	Totals
Support and revenue						
Net tenant rent revenue	\$ 1,540,974	\$ -	\$ -	\$ -	\$ -	\$ 1,540,974
Tenant assistance payments	5,827,609	-	-	-	-	5,827,609
Food service revenue	1,031,930	-	-	-	-	1,031,930
Assisted living services	992,665	-	-	-	-	992,665
Other elderly care income	-	24,493	-	-	-	24,493
Contributions	-	478,763	-	-	-	478,763
Investment loss, net	30,322	50	-	(432,663)	-	(402,291)
Other income	59,141	28,285	-	-	-	87,426
Distributions from and change in value of beneficial interest in assets held by RCF	-	-	-	(6,174)	-	(6,174)
Management fee revenue	-	238,200	-	-	(238,200)	-
Income from partnerships	-	8,579	849,280	-	(857,859)	-
Total revenues	<u>9,482,641</u>	<u>778,370</u>	<u>849,280</u>	<u>(438,837)</u>	<u>(1,096,059)</u>	<u>9,575,395</u>
Expenses						
Program service	7,509,876	142,013	-	-	-	7,651,889
Management and general	1,055,059	451,010	-	-	(238,200)	1,267,869
Fundraising	59,849	132,820	-	-	-	192,669
Total expenses	<u>8,624,784</u>	<u>725,843</u>	<u>-</u>	<u>-</u>	<u>(238,200)</u>	<u>9,112,427</u>
Change in Net Assets	857,857	52,527	849,280	(438,837)	(857,859)	462,968
Net assets, Beginning of Year	7,001,432	1,915,018	6,931,417	5,480,333	(7,001,432)	14,326,768
Net Assets, End of Year	<u>\$ 7,859,289</u>	<u>\$ 1,967,545</u>	<u>\$ 7,780,697</u>	<u>\$ 5,041,496</u>	<u>\$ (7,859,291)</u>	<u>\$ 14,789,736</u>

Kavod Senior Life
Fiscal Committee Meeting Minutes
February 19, 2019 Via ZOOM conference

Members Present: Rob Friedman, Brian Botnick, Max Heyman, and Connell Saltzman

Staff: Michael Klein, Mike Belieu, and Tracy Kapaun

Connell called the committee meeting to order at 8 a.m. The group unanimously approved the minutes from the January 15, 2019 meeting with the motion made by Rob and seconded by Max. The Zoom conference phone was working properly and the attendees could hear and participate in the meeting.

Connell asked if there were any questions regarding the December monthly financials. He then gave an overview of the year-end financials. He covered the cash balance of \$5,892,000 and the reserves from the MidFirst loan of \$3.05 million dollars. Kavod projects Net Income of \$803,865 for the year. Connell also mentioned that the property management activity is now reported under AHI not the Kavod Property Management Company. Mike add that grant revenue recognition for the Phillips grant changed based upon guidance from Eide Bailly. Connell also highlighted the loss in the Foundation of \$438,836 and explained that this is a paper loss and much of this has been offset by strong gains in January. Staff clarified a question on the dining revenue and the meal exemptions that Kavod allows explaining that meal exemptions fluctuate and have trended up slightly in the last six month. A motion to accept the November financial statements was made by Rob and seconded by Brian. The motion passed unanimously.

Mike gave an update on the accounting software and Michael updated the group on the AL software conversion. Brian gave his feedback on the Yardi software that his company just implemented.

Mike and staff gave an update to the ongoing refi projects. Mike mentioned that Jensen Hughes completed their report on the fire suppression needs of each building. Kavod management and Marx Okubo are reviewing the report. Mike also gave an update on the asbestos remediation for the West building. Two companies were on site the week of February 11th to review the necessary work that needs to be done. Kavod staff, Marx Okubo, and Pinkard are still in the process of fine-tuning the budget.

Michael mentioned that there is a meeting on February 21st to review the scope, progress, and timeline of the refinance project. More detail will be given during that meeting. Brian discussed his expectations of the refi project and his experience with Marx Okubo.

The next regular Fiscal Committee meeting will be held on March 19, 2019 via Zoom conference. Meeting adjourned at 8:45 a.m.

Notes to January 2019 Financial Statements

Prepared by Mike Belieu, CFO, Kavod Senior Life

I have prepared a summary of some of the key items on the January 2019 statements. These are preliminary numbers and subject to change.

Cash:

- Operating cash balance as of January 2019 is \$5,612,000, down from \$5,892,000 in December 2018. This balance includes reserves invested at Morgan Stanley and the \$3.05 million in cash funded by the MidFirst loan.

Net Income:

- Through January 2019, the net income \$22,459 versus the budgeted net income amount less capital expenses of \$53,539

Revenue:

- Total revenue YTD through January 2019 is \$819,332 compared to the budgeted amount of \$854,976, a difference of \$34,559 or 4 percent.
- Other revenue consists of income from Independent and Assisted Living activities, laundry, cleaning, and interest income.
- Rental revenue is under budget by \$5,932 through January 2019. There was a small increase in vacancy from December 2018 to January 2019. The Allied Housing Inc. (AHI) statement includes property management fees in the amount of \$19,850. These fees are paid by the three HUD buildings to AHI on a monthly basis for overall management of the properties.
- Assisted Living revenue YTD is under budget by \$5,867. For January 2019 there were two market rate units vacant and one Medicaid. As of March 15, all but one A/L unit will be occupied.
- Dining revenue is under budget YTD by \$4,008 due to higher number of residents with meal exceptions and less revenue from guest meals and delivery.
- Grant revenue is under budget \$20,242 through January. In March, Kavod received the Rose Community grant for \$68,000. This grant will offset some of the cost of the new door handles.
- Contribution revenue is higher than budget by \$1,488 through January 2019.

Expenses:

- Total operating expenses YTD 2019 were \$679,080 compared to the budgeted amount of \$682,804 a difference of \$3,724 or 1 percent lower than budget.
- Net Operating Income (NOI) came in lower than budget through January at \$140,251 versus the budgeted amount of \$172,172.
- Assisted Living is under budget by \$612. Most categories are slightly under budget.

- The Operations and Maintenance category is over budget \$655 due to higher labor cost in the management category and outside service repair costs to fix and install boiler parts.
- Food Service costs are over budget by \$2,006. Labor costs were higher due to one-time salary increases for servers and Assistant Manager. Food costs are higher due to five weeks of food purchases versus a normal four weeks.
- Program costs are under budget by \$5,802. Higher costs for one time salary adjustments and lower costs for activity related expenses.
- Fundraising costs are under budget by \$2,980. Most categories are under budget in January 2019.
- General and Admin expenses (excluding property management fees) are under budget \$8,595 through January 2019. License expense, supplies, and some wages categories are under budget. Bonuses will be paid in February and March 2019.
 - Property management fees in the AHI entity are paid by the three buildings and show as revenue on the AHI books and expenses on the three LLLPs, income and expenses net out on Kavod's financial statements. These costs are offset by salaries of some Kavod employees who are now expensed through the AHI.

Non-Operating Expenses and Other Information

- Non-operating expenses including debt service (excluding capital costs) came in \$840 under budget. Consulting costs are over budget \$2,288. These costs include work on the strategic plan, data collection and expenses related to evaluating possible senior housing projects. The data collection expense is offset by the Rose Community grant.
- There was one addition to the fixed assets in January. A ramp was installed in the Health and Wellness center patio/roof. There were no non capital expenditures in January 2019. **These costs represent only the capital expenses that were budgeted for 2019 and do not include loan refi projects. The loan capital projects will be accounted for in another worksheet.**

**KAVOD SENIOR LIFE
YTD FINANCIAL SUMMARY
as of 01/31/2019**

Revenues	LPs	AHI	Total YTD 2019	2019 YTD Budget	2019 Budget	% Change from YTD
Rental Income/Property Man Fees	\$ 618,483	\$ 19,850	\$ 638,333	\$ 644,265	\$ 7,773,172	-1%
Food Services	84,371	0	84,371	88,378	1,060,543	-5%
Assisted Living	70,441	0	70,441	76,308	1,005,694	-8%
Grant Income	0	2,800	2,800	23,042	276,500	-88%
Contributions	0	15,130	15,130	13,642	163,700	11%
	<u>773,295</u>	<u>37,780</u>	<u>811,075</u>	<u>845,634</u>	<u>10,279,609</u>	<u>-4%</u>
Other Revenue	8,257	0	8,257	9,342	112,098	-12%
Total Revenues	781,552	37,780	\$ 819,332	854,976	10,391,707	-4%
Operating Expense						
General & Admin/Other Expenses	183,632	18,751	202,383	210,978	2,240,148	-4%
Operations & Maintenance	184,011	0	184,011	183,356	2,220,617	0%
Program Expenses	80,099	17,250	97,349	91,547	1,154,778	6%
Fundraising Costs	0	5,820	5,820	8,800	122,100	-34%
Food Services	120,684	0	120,684	118,678	1,473,531	2%
Assisted Living Program	68,833	0	68,833	69,445	870,425	-1%
	<u>637,259</u>	<u>41,821</u>	<u>679,080</u>	<u>682,804</u>	<u>8,081,599</u>	<u>-1%</u>
Total Operating Expense	637,259	41,821	679,080	682,804	8,081,599	-1%
Net Operating Income	144,293	(4,042)	140,251	172,172	2,310,108	-19%
Non-Operating Expense						
Capital/Non Capital Improvements	5,500	0	5,500	2,167	25,999	154%
Depreciation/Amortization	76,122	0	76,122	77,083	925,001	-1%
Consultants	0	10,671	10,671	8,383	100,600	27%
Debt Service	31,000	0	31,000	33,167	422,000	-7%
	<u>112,622</u>	<u>10,671</u>	<u>123,293</u>	<u>120,800</u>	<u>1,473,600</u>	<u>2%</u>
Total Non-Operating Expense	112,622	10,671	123,293	120,800	1,473,600	2%
Net Income	\$ 31,671	\$ (14,712)	\$ 16,959	\$ 51,372	\$ 836,508	-67%
Net Income after Cap Exp Removed	\$ 37,171		\$ 22,459	\$ 53,539	\$ 862,507	

DRAFT ONLY-FOR DISCUSSION PURPOSES ONLY

Total Special Projects 2019

South Special Projects	Cost to Date	% Completed	Total Budget	Variance
				\$ -
West Special Projects				
Ramp for health and wellness patio	\$ 5,500	100%	\$ 6,000	\$ 500
				\$ -
East Special Projects				\$ -
Total Special Projects Through January	\$ 5,500		\$ 6,000	\$ 500

Allied Housing, Inc. - Unrestricted Accounts
Profit Loss
January 2019

	YTD Through January 2019	YTD Budget	Annual Budget	Budget Variance	% of Budget YTD Budget
Ordinary Income/Expense					
Income					
Management Fee Revenue	19,850	20,843	250,110	(993)	
Grant Income	2,800	23,042	276,500	(20,242)	1%
A'la Carte Services	1,752	1,333	16,000	419	11%
Donation Income/Special Events	1,820	9,333	112,000	(7,514)	2%
Kavod On The Road	11,558	2,500	30,000	9,058	39%
Kavod Foundation					
Rose Endowment Income		367	4,400	(367)	0%
Shul Income					
Shul Donations		108	1,300	(108)	0%
Total Shul Income	-	108	1,300	(108)	0%
Total Income	37,780	57,526	690,310	(19,746)	5%
Expense					
Management Salary and Benefit Expense	18,751	18,896	226,750	(145)	
L'Chaim					
Supplies	-	-	2,000	-	0%
Total L'Chaim	-	-	13,000	-	0%
Kavod On The Road					
Meetings/Classes	500	417	5,000	83	10%
Program Expenses	-	1,367	16,400	(1,367)	0%
Payroll	5,495	5,083	61,000	412	9%
Mileage	22	167	2,000	(144)	1%
Supplies	1,992	800	9,600	1,192	21%
Events	519	292	3,500	227	15%
Entertainment	86	417	5,000	(330)	2%
Kavod On The Road - Other	-	75	900	(75)	0%
Total Kavod On The Road	8,615	8,617	103,400	(1)	8%
A'la Carte Labor	993	1,083	13,000	(90)	8%
Accounting Services		667	8,000	(667)	
Bank Charges & CC Fees	224	875	10,500	(651)	2%
Chaplain Services	3,884	5,250	63,000	(1,366)	6%
Charity & Donations		250	3,000	(250)	0%
Consulting Expense					
Strategic Plan Consulting	600	625	7,500	(25)	8%
A/L-Financial Software Consulting	7,621	2,083	25,000	5,538	30%
Grant Writing	2,450	2,342	28,100	108	9%
Data Consultant		2,083	25,000	(2,083)	0%
Consulting Expense - Housing		1,250	15,000	(1,250)	0%
Total Consulting Expense	10,671	8,383	100,600	2,288	11%
Events					
Annual Meeting		-	18,000	-	0%
Total Events	-	-	18,000	-	0%

Allied Housing, Inc. - Unrestricted Accounts
Profit Loss
January 2019

	YTD Through January 2019	YTD Budget	Annual Budget	Budget Variance	% of Budget YTD Budget
Fundraising Expense					
Memberships		33	400	(33)	0%
Security		42	500	(42)	0%
Training		292	3,500	(292)	0%
Outreach/Printing	2	1,000	12,000	(998)	0%
Entertainment/Space Rental		292	3,500	(292)	0%
Fundraising Labor	5,668	7,000	84,000	(1,332)	7%
Supplies	150	142	1,700	8	9%
Total Fundraising Expense	5,820	8,800	105,600	(2,980)	6%
Legal Expense		250	3,000	(250)	0%
Mailing & Postage	1,601	1,583	19,000	18	8%
Other Religious Services		308	3,700	(308)	0%
Shul Books & Religious Supplies		150	1,800	(150)	0%
Tree of Life		25	300	(25)	0%
Shul Kiddish	245	333	4,000	(88)	6%
Shul Religious Services		583	7,000	(583)	0%
Shul Religious Classes & Events		67	800	(67)	0%
Shul - Training	1,688	208	2,500	1,479	68%
Total Expense	52,492	56,329	706,950	(3,837)	7%
Other Income/Expense					
Other Income					
Dividend Income	-	25	300	(25)	0%
Total Other Income	-	25	300	(25)	
Net Other Income/Expense	-	25	300	(300)	0%
Net Income	(14,712)	1,197	(16,640)	(13,516)	88%

ALLIED HOUSING, INC.
PRELIMINARY
YTD Profit and Loss Statement
For the Month Ending January 31, 2019

	January			Year to Date			Annual Budget	% Remain
	Actual	Budget	Variance	Actual	Budget	Variance		
REVENUE								
Revenue - Rent Income From Apartments - Independe	\$126,702	\$131,974	(\$5,272)	\$126,702	\$131,974	(\$5,272)	\$1,625,685	92.21%
Revenue - Tenant Assistance Payments	491,781	491,448	333	491,781	491,448	333	5,897,377	91.66%
Revenue - ALP Program Full Pay Residents	37,438	45,417	(7,979)	37,438	45,417	(7,979)	635,000	94.10%
Revenue - ALP Program Partial Pay Tenants	12,175	13,691	(1,516)	12,175	13,691	(1,516)	164,294	92.59%
Revenue - ALP Program Medicaid Contributions	20,829	17,200	3,629	20,829	17,200	3,629	206,400	89.91%
Revenue - Food Service/Receipts	77,877	78,836	(959)	77,877	78,836	(959)	946,033	91.77%
Revenue - Meal Subsidy	(11,557)	(10,117)	(1,440)	(11,557)	(10,117)	(1,440)	(121,400)	90.48%
Revenue - ALP Supplement	17,226	18,621	(1,395)	17,226	18,621	(1,395)	223,450	92.29%
Revenue - Meal Delivery, Guest Meals, etc.	825	1,038	(214)	825	1,038	(214)	12,460	93.38%
Total Revenue	773,295	788,108	(14,813)	773,295	788,108	(14,813)	9,589,299	91.94%
EXPENSE								
General & Administrative								
Property Management Fees	19,850	20,843	(993)	19,850	20,843	(993)	225,750	100.00%
Salary Allocation to AHJ	(18,751)	(18,813)	62	(18,751)	(18,813)	62	(225,012)	100.00%
Labor - Food Service Manager	8,652	4,912	3,740	8,652	4,912	3,740	63,860	86.45%
Labor - Leasing	13,920	13,561	359	13,920	13,561	359	176,288	92.10%
Labor - Front Office Staff	8,108	7,749	359	8,108	7,749	359	100,740	91.95%
Labor - Community Relations/Marketing	8,998	9,077	(79)	8,998	9,077	(79)	118,000	92.37%
Labor - Accounting/Human Resources/Director	36,992	38,299	(1,307)	36,992	38,299	(1,307)	497,883	92.57%
Labor - Potential Bonus	0	16,190	(16,190)	0	16,190	(16,190)	65,001	100.00%
Labor - Payroll Taxes	5,623	5,269	355	5,623	5,269	355	68,495	91.79%
Labor - Payroll Taxes - FS Admin	735	382	353	735	382	353	4,962	85.20%
Labor - Workers Comp Expense	137	563	(426)	137	563	(426)	6,759	97.97%
Labor - Workers Comp Expense - FS Admin	233	153	80	233	153	80	1,830	87.27%
Labor - Employee Benefits	16,641	13,347	3,294	16,641	13,347	3,294	160,165	89.61%
Labor - Employee Benefits - FS Admin	998	1,073	(75)	998	1,073	(75)	12,875	92.25%
Labor - Help Wanted Advertising	0	167	(167)	0	167	(167)	2,000	100.00%
Labor - Screening/Background Checks	0	250	(250)	0	250	(250)	3,000	100.00%
Labor - Training and Development	3,147	3,333	(186)	3,147	3,333	(186)	40,000	92.13%
Employee Recognition	918	2,583	(1,665)	918	2,583	(1,665)	31,000	97.04%
Employee Wellness	200	917	(717)	200	917	(717)	11,000	98.18%
Marketing - Ad Placement, Brochures, etc.	1,730	1,833	(104)	1,730	1,833	(104)	22,000	92.14%
Marketing - Community Outreach/Open House	2,937	2,892	45	2,937	2,892	45	34,700	91.54%
Board Development	154	650	(496)	154	650	(496)	7,800	98.02%
Bank Charges	(35)	167	(202)	(35)	167	(202)	2,000	101.75%
Mileage Reimbursements	1,248	275	973	1,248	275	973	3,300	62.17%
Supplies/Postage/FedEx	8,347	5,333	3,013	8,347	5,333	3,013	64,001	86.96%
Telephone/Answering/DSL	2,361	2,750	(389)	2,361	2,750	(389)	33,000	92.84%
Outside Services & Labor	3,952	3,417	536	3,952	3,417	536	41,000	90.36%
Dues and Subscriptions	18,719	19,250	(531)	18,719	19,250	(531)	38,000	50.74%
License Expense	3,205	625	2,580	3,205	625	2,580	7,500	57.27%
Accounting & Audit Expense	7,000	6,781	219	7,000	6,781	219	43,000	83.72%
Legal Expense	2,452	1,083	1,369	2,452	1,083	1,369	13,000	81.14%
Other Renting Expense	1,136	875	261	1,136	875	261	10,500	89.18%
Hardware - CIS	216	1,242	(1,026)	216	1,242	(1,026)	22,000	99.02%
Software - CIS	0	113	(113)	0	113	(113)	2,000	100.00%
Support, Repairs & Maintenance - CIS	4,288	5,333	(1,045)	4,288	5,333	(1,045)	70,000	93.87%
Property & Liability Insurance	19,521	19,583	(63)	19,521	19,583	(63)	235,001	91.69%
Total General & Administrative	183,632	192,057	(8,426)	183,632	192,057	(8,426)	2,013,398	91.85%
Food Service								
Labor - Hourly Cooks	23,079	24,738	(1,659)	23,079	24,738	(1,659)	321,600	92.82%
Labor - Hourly Servers	18,556	17,380	1,176	18,556	17,380	1,176	225,944	91.79%
Labor - Assistant Manager	8,615	7,277	1,338	8,615	7,277	1,338	94,599	90.89%
Labor - Catering	1,029	1,380	(351)	1,029	1,380	(351)	16,560	93.79%
Labor - Special Staffing	625	642	(17)	625	642	(17)	7,700	91.88%
Labor - Outside Services Labor Expense	1,760	2,042	(281)	1,760	2,042	(281)	24,500	92.81%
Labor - Payroll Taxes	4,396	4,400	(4)	4,396	4,400	(4)	52,800	91.67%
Labor - Workers Comp Expense	1,503	1,875	(372)	1,503	1,875	(372)	22,500	93.32%
Labor - Employee Benefits	7,116	9,417	(2,301)	7,116	9,417	(2,301)	113,000	93.70%
Food & Beverage Expense	47,067	41,660	5,406	47,067	41,660	5,406	499,923	90.59%
Food Paper Products Expense	4,289	4,025	264	4,289	4,025	264	48,300	91.12%
Cleaning Supplies & Service Expense	1,162	584	578	1,162	584	578	7,005	83.42%
Laundry & Linen Expense	358	750	(392)	358	750	(392)	9,000	96.03%
Equipment Expense	912	1,667	(754)	912	1,667	(754)	20,000	95.44%

ALLIED HOUSING, INC.
PRELIMINARY
YTD Profit and Loss Statement
For the Month Ending January 31, 2019

	January			Year to Date			Annual Budget	% Remain
	Actual	Budget	Variance	Actual	Budget	Variance		
Uniforms Expense	217	542	(325)	217	542	(325)	6,500	96.67%
Dining Room Decorating Expense	0	300	(300)	0	300	(300)	3,600	100.00%
Total Food Service	120,684	118,678	2,006	120,684	118,678	2,006	1,473,531	91.81%
Assisted Living Program								
Labor - Manager	5,261	5,420	(159)	5,261	5,420	(159)	70,454	92.53%
Labor - Care Givers, CC & Aides	30,455	28,765	1,690	30,455	28,765	1,690	373,950	91.86%
Labor - Payroll Taxes	3,115	2,908	208	3,115	2,908	208	37,801	91.76%
Labor - Workers Comp Expense	1,448	1,923	(475)	1,448	1,923	(475)	23,072	93.73%
Labor - Employee Benefits	8,243	7,333	910	8,243	7,333	910	87,998	90.63%
Labor - Medical Required Testing	131	133	(3)	131	133	(3)	1,600	91.84%
Dietary Supplies	17,226	18,621	(1,395)	17,226	18,621	(1,395)	223,450	92.29%
Medication Set-ups	0	83	(83)	0	83	(83)	1,000	100.00%
Other ALP expenses	466	117	349	466	117	349	1,400	66.75%
A/L Marketing	0	892	(892)	0	892	(892)	10,700	100.00%
Recreation & Rehabilitation	2,488	3,250	(762)	2,488	3,250	(762)	39,000	93.62%
Total Assisted Living Program	68,833	69,445	(612)	68,833	69,445	(612)	870,425	91.99%
Operations & Maintenance								
Labor - Housekeeping Supervisor	5,855	4,582	1,274	5,855	4,582	1,274	58,000	89.90%
Labor - Housekeeping Staff	9,979	11,257	(1,278)	9,979	11,257	(1,278)	142,508	93.00%
Labor - Maintenance Manager/Director	17,480	14,861	2,619	17,480	14,861	2,619	188,136	90.71%
Labor - Maintenance Staff	14,617	15,917	(1,301)	14,617	15,917	(1,301)	207,838	92.97%
Labor - Protection (Security)	5,027	5,285	(258)	5,027	5,285	(258)	66,901	92.49%
Labor - Payroll Taxes	4,440	3,806	634	4,440	3,806	634	46,453	90.44%
Labor - Workers Comp Expense	1,362	1,311	51	1,362	1,311	51	15,729	91.34%
Labor - Employee Benefits	10,878	9,914	964	10,878	9,914	964	118,965	90.86%
Labor - Temporary	3,482	1,250	2,232	3,482	1,250	2,232	15,001	76.79%
Outside Services - Cleaning	1,259	6,667	(5,408)	1,259	6,667	(5,408)	80,000	98.43%
Outside Services - Exterminating	5,300	2,583	2,717	5,300	2,583	2,717	31,000	82.90%
Outside Services - Grounds	0	2,083	(2,083)	0	2,083	(2,083)	25,001	100.00%
Outside Services - Repairs	45,494	38,332	7,162	45,494	38,332	7,162	459,980	90.11%
Outside Services - Elevator Maintenance	2,908	4,167	(1,258)	2,908	4,167	(1,258)	50,000	94.18%
Outside Services - Snow Removal	450	1,250	(800)	450	1,250	(800)	15,001	97.00%
Outside Services - Garbage and Trash Removal	4,979	3,917	1,062	4,979	3,917	1,062	47,000	89.41%
Outside Services - Life Safety & Security	1,724	2,917	(1,192)	1,724	2,917	(1,192)	35,001	95.07%
License & Permit Expense	0	83	(83)	0	83	(83)	1,000	100.00%
Maintenance Supplies & Repairs	14,854	20,833	(5,979)	14,854	20,833	(5,979)	250,000	94.06%
Decorating Expense - Common Area	94	142	(48)	94	142	(48)	1,700	94.48%
Utilities - Electric	13,791	14,083	(293)	13,791	14,083	(293)	190,000	92.74%
Utilities - Water	3,608	3,750	(142)	3,608	3,750	(142)	45,001	91.98%
Utilities - Gas	11,260	8,917	2,344	11,260	8,917	2,344	65,001	82.68%
Utilities - Sewer	5,120	5,417	(296)	5,120	5,417	(296)	65,001	92.12%
Mileage Reimbursement	49	33	16	49	33	16	400	87.74%
Total Operations & Maintenance	184,011	183,356	655	184,011	183,356	655	2,220,617	91.71%
Total Expenses	557,160	563,536	(6,376)	557,160	563,536	(6,377)	6,577,971	91.81%
Operating Excess/(Deficit)	216,135	224,572	(8,437)	216,135	224,572	(8,436)	3,022,028	92.23%
OTHER ELDER CARE INCOME & (EXPENSE)								
Activities Program								
Activities Revenue - Resident Receipts	(1,759)	(2,167)	408	(1,759)	(2,167)	408	(25,999)	93.23%
Activities Revenue - ALP Receipts	(2,488)	(3,250)	762	(2,488)	(3,250)	762	(39,000)	93.62%
Activities Revenue - Donations	(70)	(8)	(62)	(70)	(8)	(62)	(100)	29.97%
Assisted Living Activities Expense	2,488	3,250	(762)	2,488	3,250	(762)	39,000	93.62%
Newsletter expense	1,863	2,083	(220)	1,863	2,083	(220)	25,001	92.55%
Activities Outreach/ Food	328	1,833	(1,505)	328	1,833	(1,505)	22,000	98.51%
Classes Expense	3,185	917	2,268	3,185	917	2,268	11,000	71.05%
Health & Wellness Expense	2,920	2,773	147	2,920	2,773	147	33,272	91.22%
Outings Expense	3,689	6,058	(2,369)	3,689	6,058	(2,369)	72,699	94.93%
Family Events	0	250	(250)	0	250	(250)	3,000	100.00%
Total Core Program (Inc)/Exp	10,156	11,739	(1,584)	10,156	11,739	(1,584)	140,873	92.79%
Labor - Activities Staff	18,036	14,436	3,600	18,036	14,436	3,600	184,325	90.21%
Labor - Payroll Taxes	1,459	1,133	326	1,459	1,133	326	14,090	89.65%
Labor - Workers Comp	491	389	102	491	389	102	4,841	89.86%
Labor - Employee Benefits	3,767	3,365	402	3,767	3,365	402	40,376	90.67%
Van Expense	363	1,167	(804)	363	1,167	(804)	14,001	97.41%
Net Gift Shop Activity	102	142	(40)	102	142	(40)	1,700	94.03%
Net Library Activity	0	42	(42)	0	42	(42)	500	100.00%

ALLIED HOUSING, INC.
PRELIMINARY
YTD Profit and Loss Statement
For the Month Ending January 31, 2019

	January			Year to Date			Annual Budget	% Remain
	Actual	Budget	Variance	Actual	Budget	Variance		
Total Other Program Expense	24,217	20,673	3,544	24,217	20,673	3,544	259,833	90.68%
Total Activities Program (Inc)/Exp	34,372	32,412	1,960	34,372	32,412	1,960	400,706	91.42%
Resident Computer Center								
RCC - Wages - RCC Staff	4,804	4,107	697	4,804	4,107	697	53,390	91.00%
RCC - Payroll Taxes	370	365	5	370	365	5	4,662	92.06%
RCC - Workers Comp Expense	146	167	(22)	146	167	(22)	2,009	92.74%
RCC - Employee Benefits	1,441	1,267	174	1,441	1,267	174	15,200	90.52%
Total RCC Expense	6,761	5,906	855	6,761	5,906	855	75,261	91.02%
Service Coordinator Program								
Labor - Service Coordinator	28,957	21,644	7,313	28,957	21,644	7,313	274,007	89.43%
Labor - Payroll Taxes	2,334	1,418	916	2,334	1,418	916	17,304	86.51%
Labor - Workers Comp Expense	621	588	33	621	588	33	7,057	91.19%
Labor - Employee Benefits	2,737	3,554	(817)	2,737	3,554	(817)	42,643	93.58%
Activities Outreach	0	375	(375)	0	375	(375)	4,500	100.00%
Total Service Coordinator (Inc)/Exp	34,649	27,579	7,070	34,649	27,579	7,070	345,511	89.97%
Total Other Elder Care (Inc)/Exp	75,782	65,897	9,885	75,782	65,897	9,885	821,478	90.77%
OTHER (INCOME) & EXPENSE								
Other Income								
Revenue - Interest Income - Project Operations	(1,742)	(1,500)	(242)	(1,742)	(1,500)	(242)	(18,000)	90.32%
Revenue - Investments - Replacement Reserves	0	(125)	125	0	(125)	125	(1,500)	100.00%
Revenue - Laundry and Vending Revenue	(848)	(958)	111	(848)	(958)	111	(11,500)	92.63%
Revenue - Miscellaneous - Buildings	(1,350)	(1,333)	(17)	(1,350)	(1,333)	(17)	(15,999)	91.56%
Total Other Income	(3,940)	(3,917)	(23)	(3,940)	(3,917)	(23)	(46,999)	91.62%
Capital Improvements								
Special Projects	5,500	2,167	3,333	5,500	2,167	3,333	25,999	78.85%
Total Capital Improvements	5,500	2,167	3,333	5,500	2,167	3,333	25,999	78.85%
Debt Service								
Interest on Mortgage Payable	31,000	33,167	(2,167)	31,000	33,167	(2,167)	422,000	92.65%
Total Debt Service	31,000	33,167	(3,058)	31,000	33,167	(3,058)	432,700	92.84%
Depreciation & Amort								
Depreciation - Buildings	76,122	77,083	961	76,122	77,083	961	925,001	100.00%
Total Depreciation & Amortization	76,122	77,083	961	76,122	77,083	961	925,001	100.00%
Total Other (Income)/Expense	108,682	108,500	182	108,682	108,500	182	1,336,701	97.56%
Net Excess/(Deficit)	31,671	50,175	(18,504)	31,671	50,175	(18,503)	863,849	82.95%

Kavod Senior Life
Fiscal Committee Meeting Minutes
March 19, 2019 Via ZOOM conference

Members Present: Rob Friedman, Brian Botnick, Max Heyman, Perry Moss and Connell Saltzman

Staff: Michael Klein, Mike Belieu, and Tracy Kapaun

Connell called the committee meeting to order at 8 a.m. The group unanimously approved the minutes from the February 15, 2019 meeting with the motion made by Rob and seconded by Brian. The Zoom conference phone was working properly and the attendees could hear and participate in the meeting.

Connell asked if there were any questions regarding the January 2019 monthly financials. Connell had a couple of suggestions to the financial including breaking out the management fee income and expenses in the memo and breaking out capital/non capital costs in the last section of the monthly memo. Mike had already updated the January memo with Connell's suggestions. Rob asked about Assisted Living vacancy and the unit mix between market and Medicaid units. Mike answered that it is harder to fill A/L market units due to the monthly costs and the waiting list is only for subsidized and Medicaid units. Rob asked staff to notify him when there are vacant Assisted Living units. Staff clarified a question on the dining revenue and the meal exemptions that Kavod allows explaining that meal exemptions fluctuate and have trended up slightly in the last six months. There was one correction to change \$8,595 to \$8,595 in the expense section. A motion to accept the January 2019 financial statements was made by Brian and seconded by Max. The motion passed unanimously.

Mike gave an update on the 2018 HUD audit work currently in process by Eide Bailly. Mike mentioned that Eide Bailly is being very detailed and have asked for a lot more information that ACM. He let the committee know that there is a possible finding with Eide Bailly having to write the financial statements and footnotes. The accounting rules state that Kavod staff should write the audited financial statements and footnotes. Mike said that is a common finding with Eide Bailly clients and that 90% of their clients receive this finding. Mike submitted his work experience, educational background, and continuing education in order that Eide Bailly consider removing this potential finding. Mike will also research what impact this finding might have on Kavod.

Michael and staff gave an update to the ongoing refi projects. Michael mentioned that Jensen Hughes completed their final report on the fire suppression needs of each building. The report's recommendations are focused entirely on the West building and once the ad-hoc committee, consultants, and staff review it, the letter will be sent to the Denver Fire Department. Michael also gave an update on the asbestos contracts for the West building. Two companies are in the running with Wade Anderson being the preferred pick. This contractor is more expensive but the group reviewing the proposals feels Wade will do a better job and is more experience at residential remediation. Pinkard is finalizing bids on the installation of the sprinkler systems and should have the bids back next week. Once both of these items are finalized Kavod will submit a final budget to the Fiscal Committee for approval. The final budget will then be presented to the full Board.

Michael gave an overview of the early discussions with the JCC for Kavod to develop a moderate-income project on their site. Rob, Mike, Evan Makovsky and he are working with Cherie Kirschbaum and Ryan Jones. Representing the JCC is Don Kortz, Ed Nekritz and Jerry Glick. Ryan and Mike have done some preliminary financial projections on how much Kavod would need to commit as well as what the cash flow for the first 15 years would be. The suggestion is that a subgroup of the fiscal committee meet with Ryan Jones and staff and review his assumptions. Connell and Rob will put together the committee.

The Fiscal Committee met again March 26th via Zoom to discuss the 2018 HUD audits. Mike sent the draft audits out to the Fiscal Committee prior to the meeting. Mike then gave an overview of the statements and discussed how the audit was conducted this year verses past years. He noted that there was one finding dealing with timing of an invoice on Allied Housing South. The Committee asked questions about Eide Bailly work and some income and expense categories. The group unanimously approved the HUD audits with the motion made by Brian and seconded by Max.

The next regular Fiscal Committee meeting will be held on April 16, 2019 onsite at Kavod. Meeting adjourned at 9:00 a.m.

Notes to February 2019 Financial Statements

Prepared by Mike Belieu, CFO, Kavod Senior Life

I have prepared a summary of some key items on the February 2019 statements. These are preliminary numbers and subject to change.

Cash:

- Operating cash balance as of February 2019 is \$5,549,000, down from \$5,612,000 in January 2019. This balance includes reserves invested at Morgan Stanley and the \$3.05 million in cash funded by the MidFirst loan.

Net Income:

- Through February 2019, the net income is \$112,280 versus the budgeted net income amount less capital expenses of \$135,058.

Revenue:

- Total revenue YTD through February 2019 is \$1,648,338 compared to the budgeted amount of \$1,709,952, a difference of \$61,614 or 4 percent.
- Other revenue consists of income from Independent and Assisted Living activities, laundry, cleaning, and interest income.
- Rental revenue is under budget by \$2,094 through February 2019. Actual rental income is within \$109 of budget. There was a small difference in actual management fee income and the budgeted amount. The Allied Housing Inc. (AHI) statement includes property management fees in the amount of \$39,700. These fees are paid by the three HUD buildings to AHI on a monthly basis for overall management of the properties.
- Assisted Living revenue YTD is under budget by \$7,143. For February 2019 there were two market rate units vacant. As of March 15, all but one Assisted Living unit will be occupied.
- Dining revenue is under budget YTD by \$8,636 due to higher number of residents with meal exceptions and the budgeted meal increase did not take place in February. The 2019 meal increase will take effect on April 1 and was delayed due to the government shut down and HUD office being closed. This meal increase will result in approximately \$1,800 in additional revenue per month.
- Grant revenue is under budget by \$39,233 through February. In March, Kavod received the Rose Community grant for \$68,000 and the Hazon grant for \$1,250. The Rose grant will offset some of the cost of the new door handles.
- Contribution revenue is higher than budget by \$479 through February 2019.

Expenses:

- Total operating expenses YTD 2019 were \$1,305,729 compared to the budgeted amount of \$1,330,379 a difference of \$24,649 or 2 percent lower than budget.
- Net Operating Income (NOI) came in lower than budget through February at \$342,608 versus the budgeted amount of \$379,573.

- Assisted Living is under budget by \$3,225. Most categories are slightly under budget.
- The Operations and Maintenance category is over budget by \$1,050 due to additional turn costs in maintenance supplies, repairs, and national gas to heat the buildings which was over budget by \$5,356.
- Food Service costs are over budget by \$5,758. Labor costs were higher due employee turnover at the cook positions resulting in higher temp labor costs. Kitchen equipment also came in over budget for the month with a purchase of an additional oven warmer.
- Program costs are under budget by \$4,840. Most categories are under budget including labor, consulting and religious services.
- Fundraising costs are under budget by \$6,074. Most categories are under budget in February 2019. Costs for the summer event usually start in the second quarter.
- General and Admin expenses (excluding property management fees) are under budget \$17,318 through February 2019. Bonus expense, training, employee wellness, and IT expenses are all under budget. Bonuses were paid in March 2019.
 - Property management fees in the AHI entity are paid by the three buildings and show as revenue on the AHI books and expenses on the three LLLPs. The income and expenses for the fees net out on Kavod's financial statements. These costs are offset by the salaries of some Kavod employees who are now expensed through the AHI.

Non-Operating Expenses and Other Information

- Non-operating expenses including debt service (excluding capital costs) came in at \$14,187 under budget. Consulting costs are under budget by \$7,931. These costs include work on the strategic plan, data collection and expenses related to evaluating possible senior housing projects. The data collection expense is offset by the Rose Community grant.
- There no additions to the Special Projects line item in February. The apartment automation project was completed in the East building for \$15,056 in February. These costs were coded directly to fixed assets. **These costs represent only the capital expenses that were budgeted for 2019 and do not include loan refi projects. The loan capital projects will be accounted for in another worksheet.**

**KAVOD SENIOR LIFE
YTD FINANCIAL SUMMARY
as of 02/28/2019**

Revenues	LPs	AHI	Total YTD 2019	2019 YTD Budget	2019 Budget	% Change from YTD
Rental Income/Property Man Fees	\$ 1,246,735	\$ 39,700	\$ 1,286,435	\$ 1,288,529	\$ 7,773,172	0%
Food Services	168,122	0	168,122	176,758	1,060,543	-5%
Assisted Living	145,472	0	145,472	152,615	1,005,694	-5%
Grant Income	0	6,850	6,850	46,083	276,500	-85%
Contributions	0	26,805	26,805	27,283	163,700	-2%
	<u>1,560,329</u>	<u>73,355</u>	<u>1,633,684</u>	<u>1,691,269</u>	<u>10,279,609</u>	<u>-3%</u>
Other Revenue	14,654	0	14,654	18,683	112,098	-22%
Total Revenues	1,574,983	73,355	\$ 1,648,338	1,709,952	10,391,707	-4%
Operating Expense						
General & Admin/Other Expenses	323,656	37,502	361,158	378,476	2,240,148	-5%
Operations & Maintenance	366,763	0	366,763	365,713	2,220,617	0%
Program Expenses	142,491	46,798	189,289	194,129	1,154,778	-2%
Fundraising Costs	0	11,526	11,526	17,600	122,100	-35%
Food Services	243,114	0	243,114	237,356	1,473,531	2%
Assisted Living Program	133,880	0	133,880	137,105	859,725	-2%
Total Operating Expense	1,209,904	95,825	1,305,729	1,330,379	8,070,899	-2%
Net Operating Income	365,079	(22,471)	342,608	379,573	2,320,808	-10%
Non-Operating Expense						
Capital/Non Capital Improvements	5,500	0	5,500	4,333	25,999	27%
Depreciation/Amortization	152,244	0	152,244	154,167	925,001	-1%
Consultants	0	16,084	16,084	24,015	100,600	-33%
Debt Service	62,000	0	62,000	66,333	422,000	-7%
Total Non-Operating Expense	219,744	16,084	235,828	248,848	1,473,600	-5%
Net Income	\$ 145,335	\$ (38,555)	\$ 106,780	\$ 130,725	\$ 847,208	-18%
Net Income after Cap Exp Removed	<u>\$ 150,835</u>		<u>\$ 112,280</u>	<u>\$ 135,058</u>	<u>\$ 873,207</u>	
DRAFT ONLY-FOR DISCUSSION PURPOSES ONLY						

Total Special Projects 2019	Cost to Date	% Completed	Total Budget	Variance
South Special Projects	\$ -	0%	\$ -	\$ -
West Special Projects				
Ramp for health and wellness patio	\$ 5,500	100%	\$ 6,000	\$ 500
East Special Projects	\$ -	0%	\$ -	\$ -
Total Special Projects Through February	<u>\$ 5,500</u>	<u>0%</u>	<u>\$ 6,000</u>	<u>\$ 500</u>

Allied Housing, Inc. - Unrestricted Accounts

Profit Loss

February 2019

	YTD Through February 2019	YTD Budget	Annual Budget	Budget Variance	% of Budget YTD Budget
Ordinary Income/Expense					
Income					
Management Fee Revenue	39,700	41,685	250,110	(1,985)	
Grant Income	6,850	46,083	276,500	(39,233)	2%
A'la Carte Services	2,792	2,667	16,000	125	17%
Donation Income/Special Events	5,905	18,667	112,000	(12,762)	5%
Kavod On The Road	13,938	5,000	30,000	8,938	46%
Kavod Foundation					
Rose Endowment Income	4,139	733	4,400	3,406	0%
Shul Income					
Shul Donations	31	217	1,300	(186)	2%
Total Shul Income	31	217	1,300	(186)	2%
Total Income	73,355	115,052	690,310	(41,697)	11%
Expense					
Management Salary and Benefit Expense	37,502	37,792	226,750	(290)	
L'Chaim					
Supplies	-	-	11,000	-	0%
Total L'Chaim	-	-	13,000	-	0%
Kavod On The Road					
Meetings/Classes	500	833	5,000	(333)	10%
Program Expenses	4,256	2,733	16,400	1,522	0%
Payroll	10,823	10,167	61,000	656	18%
Mileage	104	333	2,000	(229)	5%
Supplies	3,302	1,600	9,600	1,702	34%
Events	1,119	583	3,500	536	32%
Entertainment	186	833	5,000	(647)	4%
Kavod On The Road - Other	-	150	900	(150)	0%
Total Kavod On The Road	20,290	17,233	103,400	3,057	20%
A'la Carte Labor	1,952	2,167	13,000	(215)	15%
Accounting Services	5,112	6,000	8,000	(888)	
Bank Charges & CC Fees	280	1,750	10,500	(1,470)	3%
Chaplain Services	8,571	10,500	63,000	(1,929)	14%
Charity & Donations		500	3,000	(500)	0%
Consulting Expense					
Strategic Plan Consulting	600	1,250	7,500	(650)	8%
A/L-Financial Software Consulting	13,034	11,415	25,000	1,619	52%
Grant Writing	2,450	4,683	28,100	(2,233)	9%
Data Consultant		4,167	25,000	(4,167)	0%
Consulting Expense - Housing		2,500	15,000	(2,500)	0%
Total Consulting Expense	16,084	24,015	100,600	(7,931)	16%
Events					
Annual Meeting	3,587	2,500	18,000	1,087	20%
Total Events	3,587	2,500	18,000	1,087	20%

Allied Housing, Inc. - Unrestricted Accounts
Profit Loss
February 2019

	YTD Through February 2019	YTD Budget	Annual Budget	Budget Variance	% of Budget YTD Budget
Fundraising Expense					
Memberships		67	400	(67)	0%
Security		83	500	(83)	0%
Training		583	3,500	(583)	0%
Outreach/Printing	2	2,000	12,000	(1,998)	0%
Entertainment/Space Rental		583	3,500	(583)	0%
Fundraising Labor	11,248	14,000	84,000	(2,752)	13%
Supplies	276	283	1,700	(7)	16%
Total Fundraising Expense	11,526	17,600	105,600	(6,074)	11%
Legal Expense		500	3,000	(500)	0%
Mailing & Postage	4,026	3,167	19,000	859	21%
Other Religious Services	400	617	3,700	(217)	11%
Shul Books & Religious Supplies		300	1,800	(300)	0%
Tree of Life		50	300	(50)	0%
Shul Kiddish	511	667	4,000	(155)	13%
Shul Religious Services		1,167	7,000	(1,167)	0%
Shul Religious Classes & Events		133	800	(133)	0%
Shul - Training	2,070	2,500	2,500	(430)	83%
Total Expense	111,909	129,157	706,950	(17,247)	16%
Other Income/Expense	111,909				
Other Income					
Dividend Income	-	50	300	(50)	0%
Total Other Income	-	50	300	(50)	
Net Other Income/Expense	-	50	300	(300)	0%
Net Income	(38,555)	(14,105)	(16,640)	(52,660)	232%

ALLIED HOUSING, INC.
PRELIMINARY
YTD Profit and Loss Statement
For the Month Ending February 28, 2019

	February			Year to Date			Annual Budget	% Remain
	Actual	Budget	Variance	Actual	Budget	Variance		
REVENUE								
Revenue - Rent Income From Apartments - Independent	\$128,336	\$131,974	(\$3,638)	\$255,038	\$263,948	(\$8,910)	\$1,625,685	84.31%
Revenue - Tenant Assistance Payments	499,916	491,448	8,468	991,697	982,896	8,801	5,897,377	83.18%
Revenue - ALP Program Full Pay Residents	38,558	45,417	(6,859)	75,996	90,833	(14,837)	635,000	88.03%
Revenue - ALP Program Partial Pay Tenants	15,040	13,691	1,349	27,215	27,382	(167)	164,294	83.44%
Revenue - ALP Program Medicaid Contributions	21,434	17,200	4,234	42,262	34,400	7,862	206,400	79.52%
Revenue - Food Service/Receipts	77,817	78,836	(1,019)	155,694	157,672	(1,978)	946,033	83.54%
Revenue - Meal Subsidy	(11,926)	(10,117)	(1,809)	(23,483)	(20,233)	(3,250)	(121,400)	80.66%
Revenue - ALP Supplement	17,266	18,621	(1,355)	34,492	37,242	(2,750)	223,450	84.56%
Revenue - Meal Delivery, Guest Meals, etc.	594	1,038	(444)	1,419	2,077	(658)	12,460	88.61%
Total Revenue	787,035	788,108	(1,073)	1,560,330	1,576,217	(15,886)	9,589,299	83.73%
EXPENSE								
General & Administrative								
Property Management Fees	19,850	18,813	1,037	39,700	37,625	2,075	225,750	100.00%
Salary Allocation to AHJ	(18,751)	(18,813)	62	(37,502)	(37,626)	124	(225,012)	100.00%
Labor - Food Service Manager	4,866	4,912	(46)	13,518	9,825	3,693	63,860	78.83%
Labor - Leasing	13,810	13,561	249	27,729	27,121	608	176,288	84.27%
Labor - Front Office Staff	7,825	7,749	76	15,933	15,498	434	100,740	84.18%
Labor - Community Relations/Marketing	8,878	9,077	(199)	17,876	18,154	(278)	118,000	84.85%
Labor - Accounting/Human Resources/Director	37,144	38,299	(1,155)	74,136	76,597	(2,462)	497,883	85.11%
Labor - Potential Bonus	0	0	0	0	16,190	(16,190)	65,001	100.00%
Labor - Payroll Taxes	5,451	5,269	182	11,074	10,538	537	68,495	83.83%
Labor - Payroll Taxes - FS Admin	412	382	30	1,147	763	383	4,962	76.89%
Labor - Workers Comp Expense	137	563	(427)	274	1,127	(853)	6,759	95.95%
Labor - Workers Comp Expense - FS Admin	132	153	(21)	365	305	60	1,830	80.08%
Labor - Employee Benefits	16,136	13,347	2,789	32,777	26,694	6,083	160,165	79.54%
Labor - Employee Benefits - FS Admin	1,003	1,073	(70)	2,000	2,146	(146)	12,875	84.46%
Labor - Help Wanted Advertising	0	167	(167)	0	333	(333)	2,000	100.00%
Labor - Screening/Background Checks	0	250	(250)	0	500	(500)	3,000	100.00%
Labor - Training and Development	3,387	3,333	53	6,534	6,667	(133)	40,000	83.67%
Employee Recognition	0	2,583	(2,583)	918	5,167	(4,248)	31,000	97.04%
Employee Wellness	200	917	(717)	400	1,833	(1,433)	11,000	96.36%
Marketing - Ad Placement, Brochures, etc.	2,329	1,833	495	4,058	3,667	392	22,000	81.55%
Marketing - Community Outreach/Open House	1,856	2,892	(1,036)	4,793	5,783	(990)	34,700	86.19%
Board Development	425	650	(225)	579	1,300	(721)	7,800	92.58%
Bank Charges	(21)	167	(188)	(56)	333	(389)	2,000	102.80%
Mileage Reimbursements	85	275	(190)	1,333	550	783	3,300	59.59%
Supplies/Postage/FedEx	4,351	5,333	(983)	12,698	10,667	2,031	64,001	80.16%
Telephone/Answering/DSL	2,662	2,750	(88)	5,023	5,500	(477)	33,000	84.78%
Outside Services & Labor	4,542	3,417	1,126	8,495	6,833	1,661	41,000	79.28%
Dues and Subscriptions	0	1,467	(1,467)	18,719	20,717	(1,997)	38,000	50.74%
License Expense	0	625	(625)	3,205	1,250	1,955	7,500	57.27%
Accounting & Audit Expense	0	781	(781)	7,000	7,562	(562)	43,000	83.72%
Legal Expense	934	1,083	(149)	3,386	2,167	1,219	13,000	73.95%
Other Renting Expense	2,607	875	1,732	3,742	1,750	1,992	10,500	64.36%
Hardware - CIS	0	1,242	(1,242)	216	2,484	(2,268)	22,000	99.02%
Software - CIS	0	167	(167)	0	280	(280)	2,000	100.00%
Support, Repairs & Maintenance - CIS	256	5,833	(5,577)	4,544	11,167	(6,623)	70,000	93.51%
Property & Liability Insurance	19,521	19,583	(63)	39,042	39,167	(125)	235,001	83.39%
Total General & Administrative	140,027	150,608	(10,585)	323,656	340,634	(16,978)	2,013,398	85.64%
Food Service								
Labor - Hourly Cooks	20,079	24,738	(4,660)	43,158	49,477	(6,319)	321,600	86.58%
Labor - Hourly Servers	18,045	17,380	664	36,601	34,761	1,840	225,944	83.80%
Labor - Assistant Manager	7,645	7,277	368	16,260	14,554	1,706	94,599	82.81%
Labor - Catering	1,966	1,380	586	2,995	2,760	235	16,560	81.92%
Labor - Special Staffing	625	642	(17)	1,250	1,283	(33)	7,700	83.77%
Labor - Outside Services Labor Expense	7,042	2,042	5,000	8,802	4,083	4,719	24,500	64.07%
Labor - Payroll Taxes	4,081	4,400	(319)	8,477	8,800	(323)	52,800	83.95%
Labor - Workers Comp Expense	1,888	1,875	13	3,392	3,750	(358)	22,500	84.93%
Labor - Employee Benefits	8,131	9,417	(1,285)	15,247	18,833	(3,586)	113,000	86.51%
Food & Beverage Expense	43,018	41,660	1,358	90,085	83,321	6,764	499,923	81.98%
Food Paper Products Expense	3,908	4,025	(117)	8,197	8,050	147	48,300	83.03%
Cleaning Supplies & Service Expense	465	584	(118)	1,627	1,168	459	7,005	76.78%
Laundry & Linen Expense	509	750	(241)	867	1,500	(633)	9,000	90.37%
Equipment Expense	4,768	1,667	3,101	5,681	3,333	2,347	20,000	71.60%

ALLIED HOUSING, INC.
PRELIMINARY
YTD Profit and Loss Statement
For the Month Ending February 28, 2019

	February			Year to Date			Annual Budget	% Remain
	Actual	Budget	Variance	Actual	Budget	Variance		
Uniforms Expense	0	542	(542)	217	1,083	(867)	6,500	96.67%
Dining Room Decorating Expense	260	300	(40)	260	600	(340)	3,600	92.78%
Total Food Service	122,430	118,678	3,752	243,114	237,356	5,758	1,473,531	83.50%
Assisted Living Program								
Labor - Manager	5,261	5,420	(159)	10,522	10,839	(317)	70,454	85.07%
Labor - Care Givers, CC & Aides	29,493	28,765	728	59,948	57,531	2,418	373,950	83.97%
Labor - Payroll Taxes	3,031	2,908	123	6,146	5,816	331	37,801	83.74%
Labor - Workers Comp Expense	1,434	1,923	(488)	2,882	3,845	(963)	23,072	87.51%
Labor - Employee Benefits	7,546	7,333	213	15,788	14,666	1,122	87,998	82.06%
Labor - Medical Required Testing	0	133	(133)	131	267	(136)	1,600	91.84%
Dietary Supplies	17,266	18,621	(1,355)	34,492	37,242	(2,750)	223,450	84.56%
Medication Set-ups	50	83	(33)	50	167	(117)	1,000	95.00%
Other ALP expenses	0	117	(117)	466	233	232	1,400	66.75%
A/L Marketing	0	892	(892)	0	1,783	(1,783)	10,700	100.00%
Recreation & Rehabilitation	967	3,250	(2,283)	3,455	6,500	(3,045)	39,000	91.14%
Total Assisted Living Program	65,049	68,553	(3,504)	133,880	137,105	(3,225)	859,725	84.43%
Operations & Maintenance								
Labor - Housekeeping Supervisor	4,459	4,582	(122)	10,315	9,163	1,152	58,000	82.22%
Labor - Housekeeping Staff	10,152	11,257	(1,105)	20,131	22,514	(2,383)	142,508	85.87%
Labor - Maintenance Manager/Director	14,570	14,861	(291)	32,050	29,722	2,328	188,136	82.96%
Labor - Maintenance Staff	11,084	15,667	(4,583)	25,701	31,585	(5,884)	207,838	87.63%
Labor - Protection (Security)	5,239	5,285	(45)	10,266	10,569	(303)	66,901	84.65%
Labor - Payroll Taxes	3,808	3,806	2	8,248	7,612	636	46,453	82.24%
Labor - Workers Comp Expense	1,133	1,311	(178)	2,495	2,622	(127)	15,729	84.14%
Labor - Employee Benefits	9,104	9,914	(810)	19,982	19,828	154	118,965	83.20%
Labor - Temporary	4,311	1,250	3,061	7,793	2,500	5,293	15,001	48.05%
Outside Services - Cleaning	2,065	6,667	(4,602)	3,324	13,333	(10,010)	80,000	95.85%
Outside Services - Exterminating	3,200	2,583	617	8,500	5,167	3,333	31,000	72.58%
Outside Services - Grounds	0	2,083	(2,083)	0	4,167	(4,167)	25,001	100.00%
Outside Services - Repairs	38,944	38,332	613	84,438	76,663	7,774	459,980	81.64%
Outside Services - Elevator Maintenance	2,908	4,167	(1,258)	5,817	8,333	(2,517)	50,000	88.37%
Outside Services - Snow Removal	270	1,250	(980)	720	2,500	(1,780)	15,001	95.20%
Outside Services - Garbage and Trash Removal	4,380	3,917	463	9,359	7,833	1,526	47,000	80.09%
Outside Services - Life Safety & Security	2,254	2,917	(663)	3,979	5,834	(1,855)	35,001	88.63%
License & Permit Expense	946	83	863	946	167	780	1,000	5.39%
Maintenance Supplies & Repairs	31,002	20,833	10,169	45,857	41,667	4,190	250,000	81.66%
Decorating Expense - Common Area	94	142	(48)	188	283	(96)	1,700	88.95%
Utilities - Electric	14,196	14,833	(638)	27,986	28,917	(930)	190,000	85.27%
Utilities - Water	3,077	3,750	(673)	6,686	7,500	(815)	45,001	85.14%
Utilities - Gas	10,429	7,417	3,012	21,689	16,334	5,356	65,001	66.63%
Utilities - Sewer	5,120	5,417	(296)	10,241	10,834	(593)	65,001	84.25%
Mileage Reimbursement	5	33	(28)	55	67	(12)	400	86.37%
Total Operations & Maintenance	182,752	182,356	396	366,763	365,713	1,051	2,220,617	83.48%
Total Expenses	510,254	539,006	(28,752)	1,067,412	1,118,432	(51,020)	6,792,283	84.32%
Operating Excess/(Deficit)	276,781	249,102	27,679	492,918	457,784	35,134	2,797,016	82.30%
OTHER ELDER CARE INCOME & (EXPENSE)								
Activities Program								
Activities Revenue - Resident Receipts	(1,193)	(2,167)	974	(2,952)	(4,333)	1,381	(25,999)	88.65%
Activities Revenue - ALP Receipts	(967)	(3,250)	2,283	(3,455)	(6,500)	3,045	(39,000)	91.14%
Activities Revenue - Donations	0	(8)	8	(70)	(17)	(53)	(100)	29.97%
Assisted Living Activities Expense	967	3,250	(2,283)	3,455	6,500	(3,045)	39,000	91.14%
Newsletter expense	1,759	2,083	(325)	3,622	4,167	(545)	25,001	85.51%
Activities Outreach/ Food	391	1,833	(1,442)	719	3,667	(2,948)	22,000	96.73%
Classes Expense	1,070	917	153	4,255	1,833	2,422	11,000	61.32%
Health & Wellness Expense	1,136	2,773	(1,637)	4,056	5,545	(1,490)	33,272	87.81%
Outings Expense	754	6,058	(5,304)	4,443	12,117	(7,674)	72,699	93.89%
Family Events	0	250	(250)	0	500	(500)	3,000	100.00%
Total Core Program (Inc)/Exp	3,917	11,739	(7,823)	14,072	23,479	(9,406)	140,873	90.01%
Labor - Activities Staff	15,516	14,436	1,080	33,553	28,873	4,680	184,325	81.80%
Labor - Payroll Taxes	1,252	1,133	119	2,710	2,265	445	14,090	80.76%
Labor - Workers Comp	391	389	2	882	778	104	4,841	81.77%
Labor - Employee Benefits	3,778	3,365	413	7,545	6,729	815	40,376	81.31%
Van Expense	736	1,167	(431)	1,098	2,334	(1,235)	14,001	92.15%
Net Gift Shop Activity	(50)	142	(191)	52	283	(231)	1,700	96.94%
Net Library Activity	0	42	(42)	0	83	(83)	500	100.00%

ALLIED HOUSING, INC.
PRELIMINARY
YTD Profit and Loss Statement
For the Month Ending February 28, 2019

	February			Year to Date			Annual Budget	% Remain
	Actual	Budget	Variance	Actual	Budget	Variance		
Total Other Program Expense	21,624	20,673	951	45,840	41,346	4,495	259,833	82.36%
Total Activities Program (Inc)/Exp	25,540	32,412	(6,872)	59,913	64,825	(4,912)	400,706	85.05%
Resident Computer Center								
RCC - Wages - RCC Staff	4,067	4,107	(40)	8,871	8,214	657	53,390	83.38%
RCC - Payroll Taxes	308	365	(57)	678	730	(52)	4,662	85.46%
RCC - Workers Comp Expense	124	167	(44)	270	335	(65)	2,009	86.58%
RCC - Employee Benefits	1,452	1,267	186	2,893	2,533	360	15,200	80.97%
Total RCC Expense	5,951	5,906	45	12,712	11,812	899	75,261	83.11%
Service Coordinator Program								
Labor - Service Coordinator	23,499	21,644	1,855	52,456	43,289	9,167	274,007	80.86%
Labor - Payroll Taxes	1,875	1,418	457	4,208	2,836	1,373	17,304	75.68%
Labor - Workers Comp Expense	513	588	(75)	1,134	1,176	(42)	7,057	83.93%
Labor - Employee Benefits	2,854	3,554	(700)	5,591	7,107	(1,516)	42,643	86.89%
Activities Outreach	0	375	(375)	0	750	(750)	4,500	100.00%
Total Service Coordinator (Inc)/Exp	28,740	27,579	1,162	63,389	55,158	8,232	345,511	81.65%
Total Other Elder Care (Inc)/Exp	60,231	65,897	(5,666)	136,014	131,794	4,219	821,478	83.44%
OTHER (INCOME) & EXPENSE								
Other Income								
Revenue - Interest Income - Project Operations	(1,576)	(1,500)	(76)	(3,318)	(3,000)	(318)	(18,000)	81.57%
Revenue - Investments - Replacement Reserves	0	(125)	125	0	(250)	250	(1,500)	100.00%
Revenue - Laundry and Vending Revenue	(1,074)	(958)	(115)	(1,921)	(1,917)	(4)	(11,500)	83.29%
Revenue - Miscellaneous - Buildings	(1,588)	(1,333)	(255)	(2,938)	(2,667)	(272)	(15,999)	81.64%
Total Other Income	(4,237)	(3,917)	(321)	(8,177)	(7,833)	(344)	(46,999)	82.60%
Capital Improvements								
Special Projects	0	2,167	(2,167)	5,500	4,333	1,167	25,999	78.85%
Total Capital Improvements	0	2,167	(2,167)	5,500	4,333	1,167	25,999	78.85%
Debt Service								
Interest on Mortgage Payable	31,000	33,167	(2,167)	62,000	66,333	(4,333)	422,000	85.31%
Total Debt Service	31,000	34,058	(3,058)	62,000	68,117	(6,117)	432,700	85.67%
Depreciation & Amort								
Depreciation - Buildings	76,122	77,083	(961)	152,244	154,167	(1,923)	925,001	83.54%
Total Depreciation & Amortization	76,122	77,083	(961)	152,244	154,167	(1,923)	925,001	83.54%
Total Other (Income)/Expense	102,885	109,392	(6,507)	211,567	218,784	(7,217)	1,336,701	84.17%
Net Excess/(Deficit)	113,665	73,813	39,852	145,337	107,206	38,131	638,836	76.91%

Kavod Senior Life
MidFirst Refi Loan Tracking
As of April 15, 2019

Total Loan	\$ 17,000,000
Less Fees	\$ (120,580)
South Loan Payoff	\$ (796,499)
Line of Credit Payoff	\$ (18,815)
East Loan Payoff	\$ (4,148,114)
Loan Draw down amount	\$ (5,084,008)
Available Loan Proceeds	\$ 11,915,992
Donations for the Bistro Project	\$ 150,000
Grant for door hardware	\$ 51,000
Total available for constructoin costs	\$ 12,116,992
Total Loan proceeds advanced to Kavod	\$ 3,915,992

Current Active Projects

	Total Budget	Completion Percentage	Available Budget	Total Spent	Supervising Entity
Project Oversight					
Marx Okubo 1st Invoice	\$ (25,886)	33%	\$ 292,653	\$ (145,197)	Kavod
Marx Okubo 2nd Invoice	\$ (27,641)				
Marx Okubo 3rd Invoice	\$ (16,653)				
Marx Okubo 4th Invoice	\$ (18,051)				
Marx Okubo 5th Invoice	\$ (5,508)				
Marx Okubo 6th Invoice	\$ (3,425)				
Marx Okubo 7th Invoice	\$ (4,140)				
Marx Okubo 8th Invoice	\$ (2,374)				
Marx Okubo 9th Invoice	\$ (20,116)				
Marx Okubo 10th Invoice	\$ (10,834)				
Marx Okubo 11th Invoice	\$ (10,570)				
This invoice includes fire suppression consulting work.					
Architectural Fees					
Hord Coplan Macht, Inc-May	\$ (13,144)	71%	\$ 19,021	\$ (46,187)	Kavod
Hord Coplan Macht, Inc-June	\$ (11,520)				
Hord Coplan Macht, Inc-October	\$ (13,155)				
Hord Coplan Macht, Inc-November/Dec	\$ (6,744)				
Hord Coplan Macht, Inc-April	\$ (1,624)				
West Building Rise Project					
Bram Construction(Abatement)	\$ (16,363)	106%	\$ (7,727)	\$ (127,727)	Kavod
PasterKamp Heating and Air	\$ (48,000)				
Bram Construction(Abatement)	\$ (16,363)				
PasterKamp Heating and Air	\$ (47,000)				

Project Complete

Chiller Replacement								
Johnson Controls	\$ (1,625)	\$ 375,000	51.00%	\$ 190,252	\$ (184,748)			Kavod
Johnson Controls	\$ (12,500)							
Johnson Controls	\$ (73,375)							
Johnson Controls	\$ (16,379)							
Johnson Controls	\$ (50,240)							
Johnson Controls	\$ (16,379)							
Johnson Controls	\$ (375)							
Johnson Controls	\$ (13,875)							
Unit Mockups								
Pinkard	\$ (16,199)	\$ 63,000	30.00%	\$ 43,959	\$ (19,041)			Kavod
Trane US	\$ (2,842)							
Domestic Hot Water								
Climate Engineering	\$ (18,870)	\$ 20,000	100%	\$ 1,130	\$ (18,870)			Kavod
		Project Complete						
West Roof and East circle railings								
First Choice Fabrication	\$ (5,992)	\$ 32,000	100%	\$ 5,855	\$ (26,145)			Kavod
Larry's Mobile Welding	\$ (5,981)							
First Choice Fabrication	\$ (14,172)							
		Project Complete						
Replace Boilers/Valves-South								
Climate Engineering	\$ (11,780)	\$ 120,000	100%	\$ 43,920	\$ (76,080)			Kavod
Climate Engineering	\$ (64,300)							
Total Costs to Date	\$ (643,994)							
Total Loan Proceeds Available	\$ 11,472,998							

Note: Items that are highlighted and in bold were paid in the last 30 days.

Kavod Senior Life
MidFirst Refi Loan Tracking
As of February 14, 2019

Committed Projects- payment for material only as of March 2019

	<u>Bid</u>	<u>Total Budget</u>	<u>Percentage spent</u>	<u>Available Budget</u>
New door Hardware/Unit Mock Up				
Anixer	\$ (56,293)	\$ 60,000	94%	\$ 865
				\$ (56,293)
				Kavod
				This cost is for material only. \$56,293 represents 100% of material costs
				Pinkard will install door hardware under their contract
East building Elevator Upgrades	\$ (143,117)	\$ 280,000	51%	\$ 136,883
Thyssenkrupp-Deposit				\$ (143,117)
				Kavod
Total Committed Costs to Date	\$ (199,410)			1/2 down for materials. Job to start in March 2019

Interest on MidFirst Loan

	Actual	Budget	Variance
January Interest Paid	\$ 20,537	\$ 24,567	\$ 4,030
February Interest Paid	\$ 29,259	\$ 32,567	\$ 3,308
March Interest Paid	\$ 28,000	\$ 32,567	\$ 4,567
April Interest Paid	\$ 31,000	\$ 43,167	\$ 12,167
May Interest Paid	\$ 30,000	\$ 54,167	\$ 24,167
June Interest Paid	\$ 30,000	\$ 54,167	\$ 24,167
July Interest Paid	\$ 31,000	\$ 54,164	\$ 23,164
August Interest Paid	\$ 31,000	\$ 57,167	\$ 26,167
September Interest Paid	\$ 31,000	\$ 61,367	\$ 30,367
October Interest Paid	\$ 30,000	\$ 57,167	\$ 27,167
November Interest Paid	\$ 31,000	\$ 57,167	\$ 26,167
December Interest Paid	\$ 30,000	\$ 57,167	\$ 27,167
January Interest Paid	\$ 31,000	\$ 35,166	\$ 4,166
February Interest Paid	\$ 30,000	\$ 35,166	\$ 5,166
March Interest Paid	\$ 31,000	\$ 35,166	\$ 4,166
April Interest Paid	\$ 31,000	\$ 35,166	\$ 4,166
Total Interest to date	\$ 475,796	\$ 726,065	\$ 250,269

Monthly interest costs prior to the new loan with MidFirst was \$18,500 per month



From: Max Reiner <max_reiner@marxokubo.com>
Sent: Thursday, April 25, 2019 11:27 AM
To: Mike Belieu <mbelieu@kavodseniorlife.org>
Subject: KSL: Design and Scope Remaining

Please find the breakout for estimated remaining design services you asked about below:

Scope Item	Responsible Design Party	Design Cost
Fire Sprinkler Design	Frontier Fire via Pinkard	100,000
Fire Alarm Design	Frontier Fire via Pinkard	25,000
Preconstruction Services	Pinkard	70,000
Pinkard Subtotal:		\$195,000
Back of House MEP Systems <ul style="list-style-type: none"> ▪ Shul Classroom ▪ Health & Wellness ▪ Other 	Marx Okubo	30,000
Tub/shower swaps	Marx Okubo	Included in M O number above
HVAC unit swap in Residential Units	Marx Okubo	Included in M O number above
HVAC swaps in east/south corridors	Marx Okubo	Included in M O number above
Other M O Scope	Marx Okubo	Included in M O number above
MEP consultant project closeout and Fire System	MEP Eng. via Marx Okubo	\$30,000
Marx Okubo Subtotal:		60,000
Asbestos Plan and Variance	Wade Anderson Consulting	\$3000
HCM Bistro & Laundry/Office remodel	HCM	\$49,000
City of Denver Permit / Plan review costs.	Kavod Senior Life via Pinkard	\$25,000
Other Subtotal:		\$77,000
Total Remaining Design & Permit Estimate:		\$332,000

This work will be billed against the remaining budget under
The project scope generally includes the following:

- Back of House MEP systems for all three buildings
 - Shul Classroom
 - Health and Wellness
 - Others

- Tub/Shower swaps (mostly for drawings in case we are able to complete some based on contingency use)
- Bistro
- Laundry/Office remodel
- Fire Sprinkler and modified alarm and notification, including voice, for west building (Frontier to be engaged by Pinkard as part of design build package)
 - Includes Fire Pump and Building to house the pump on the exterior
 - Includes electrical connections from pump to main distribution
 - Includes electrical connections from pump to generator
- Fire Sprinkler and alarm and notification for east and south (Frontier to be engaged by Pinkard as part of design build package)
- Swapping HVAC units in the south residential units
- Swapping HVAC units in the east/south hallways
- Asbestos plan design and variance request (WEC/Orion to be engaged directly by KSL; coordinated by M|O and PCC)
- Other items as discussed and listed in the budget summary.

Furthermore, this is to confirm our understanding that construction will not move forward until all permits (ie. Architectural, Fire, and Asbestos) are received which is anticipated for Mid November based on the duration for Fire design and permitting.

Max Reiner, NCARB, AIA, LEED AP
Senior Associate

Kavod Senior Life
Fiscal Committee Meeting Minutes
April 16, 2019 Onsite

Members Present: Rob Friedman, Brian Botnick, Max Heyman, Perry Moss and Connell Saltzman

Staff: Michael Klein, Mike Belieu, Heather Colliander, Olga Roush

Eide Bailly-Zach Jastram, Aaron Ness, Peggy Jennings

Connell called the Committee meeting to order at 8 a.m. He mentioned that the minutes and the February Financial Statements would follow the presentation by Eide Bailly.

Eide Bailly started their presentation of the 2018 HUD audits. Aaron Ness, the partner on the engagement, explained the process of the audit and the initial fieldwork done. Eide Bailly came out in December of 2018 and did field testing for compliance and Section 8 vouchers, which is required by HUD, and went very well. He noted there were no issues with the Section 8 vouchers. Aaron talked about the audit in general and how for a first year audit the process went very smooth. He did advise the Committee about one finding on Allied Housing South concerning a construction invoice coded to the wrong year; this invoice was received significantly after year-end. Zach also discussed various procedures completed during the audit.

Aaron mentioned that Kavod staff were organized and provided all the necessary information in reasonable time and stated that most first-year audits do not go as smoothly. He thanked Kavod staff for their hard work. Aaron went on to talk more specifically about the individual audits of each building which are held in separate partnerships and their surplus cash. He also talked about the different audit components and that Section 8 audits are less complex versus audits with HUD loans.

The group discussed the management company, a separate legal entity that is wholly owned by AHI (Kavod Property Management) and how HUD sometimes requires a separate entity and under what circumstances a separate management company is necessary. The Committee asked about the process setting up the management company and questioned Eide Bailly about their review of the new entity requirement. Aaron mentioned he did review the documents Mike completed that had been requested by HUD

in prior years and said Allied Housing Inc. operating as the management company is acceptable.

Rob asked if there were any other compliance issues with the audit. Eide Bailly staff advised there were no other compliance issues. The HUD entities are receiving clean audit opinions. The audits and related compliance reports were filed with HUD on a timely basis.

Peggy Jennings gave an update on the consolidated audit. She said they have completed the consolidated audit and it is in quality control review, which is required for a first year audit. She indicated Kavod staff will have the statements this week. She also mentioned Kavod staff did a good job coordinating the audit this year. Peggy did mention there was one finding dealing with grant revenue recognition.

Connell ask staff to wait in the lobby so the Fiscal Committee could talk directly with Eide Bailly. Subsequent to this discussion Perry Moss left the meeting.

Upon return of staff, the Committee and staff discussed releasing funds from the Refi Loan proceeds for preparing drawings to obtain permits from the City of Denver. The permits would cover architecture for the Bistro, laundry and office remodel in the West building; asbestos abatement; and fire suppression. The Committee was in general agreement to recommend the release of such funds; however, no construction was to occur until all or substantially all the permits were received. There continues to be discussion with Denver Fire Department about the extent of fire suppression to be completed. Brian also questioned whether it was necessary to expend funds to fully sprinkler the South building; at present the South building does have a single sprinkler per apartment unit. The Committee will continue to be updated by staff on the fire suppression issue and will further discuss recommending to the Board that expenditure of funds to obtain drawings necessary to obtain permits.

The next regular Fiscal Committee meeting will be held on May 21, 2019 Via Zoom conference call. Meeting was adjourned at 9:20am.

Kavod Senior Life
Fiscal Committee Meeting Minutes

April 24, 2019 via Zoom

Members Present: Rob Friedman via Zoom, Brian Botnick via Zoom, Max Heyman via Zoom, Perry Moss via written proxy and Connell Saltzman on site at Kavod

Staff: Mike Belieu on site at Kavod

Eide Bailly- Peggy Jennings on site at Kavod

A special Fiscal Committee meeting was held on April 24th^t to approve the 2018 consolidated audit and request approval of construction design work in order to get to the permit stage.

Peggy from Eide Bailly presented the consolidated audit, which staff previously sent to the Committee, and the AU 260, AU 265 letters that are required correspondence for the Fiscal Committee and management. She talked about how smooth the first year engagement went and complemented Kavod staff on how well they did during the audit. Peggy discussed the two findings regarding proper revenue recognition for grants. She commented that Eide Bailly would work with Kavod staff on additional nonprofit accounting training during 2019. Peggy then went over the numbers in the consolidated audit noting that the audit has a clean opinion. The 2018 audit contains only one year of results due to the change in accounting standards regarding presentation of financial statements; next year will be a comparative audit. She went over the consolidating balance sheet on page 17 and Consolidating Schedule of Activities on page 18 as well as the effect of the new debt with MidFirst Bank on the balance sheet. The consolidating Schedules of Financial Position (Balance Sheet) and Activities show all of the Kavod entities that are being consolidated, There was discussion on the wording for Note 7 regarding assets held by the Foundation which the Committee and Peggy agreed would be more clear if stated that the assets were of the Foundation and Board designated. Peggy also reviewed the Consolidated Schedules of Financial Position (Balance Sheet) and Activities (Income Statement), especially the change in presentation of Net Assets.

Connell moved to accept the 2019 consolidated audit with amended wording to Note 7 and recommendation to the Board that the audited financials be accepted as amended. The motion was seconded by Rob. The motion passed unanimously. The Committee thanked Eide Bailly for its work this past year. Peggy will attend and present the audit to the Board at the April 29th Board meeting.

The second topic was the approval to move forward with design work to get the project to the point Kavod could apply for building permits for the refi work. Mike had previously sent out a detailed outline of all the design work that needs to be done before permits can be obtained to start the work. This outline included design work for all projects budgeted to be completed with refi money. The group had discussion on scope, cost and what information the Board needs to see for the Board to be comfortable moving forward.

Mike will get cost estimates for the design work broken out by responsible entity to complete the work plus what this design work is as a percentage of overall costs. The information that goes to the Board will have design information and costs from Kavod, Marx Okubo, HCM, and Pinkard.

Connell moved that staff should move forward with the design work if the costs come in at a reasonable amount. The motion was seconded by Brian. The group unanimously approved the motion.

The was adjourned at 8:40 am.

Kavod Senior Life

Resident and Community Services Committee

April 4 in Shul Classroom at 11:45

Present: Deanie Andersen, Ondalee Kline, Jay Mactas, Jamie Sarche, Sarah Golombek, Kerry Hildreth, Mollie Zwerdinger. Staff: Tracy Kapaun, Jennifer Grant, Christie Ziegler, Connie Moore, Susan Schoenthal, Grace Trautman, Rabbi Stephen Booth-Nadav, Dre Dufford and Michael Klein. Guest: Meredith Brunk from Legacy Healthcare Services

Kerry Hildreth welcomed everyone to the meeting. Previous minutes were reviewed and a motion was made by Deanie and seconded by Ondalee to accept them. Motion passed.

Connie, Susan and Grace updated the committee on the upcoming intergenerational music and art program they will be doing. They have received training and are in the active stage of recruiting youth to participate. The program is geared for residents with early stage dementia. There is funding for three years.

Christie updated our progress with the DHA (Kavod in the City) program. We have successfully completed a year one grant and received a second year grant from Next 50 Initiative. We will be doing 36 programs together at the three sites. The classes will focus in three clusters around fitness/wellness, mental health and strengthening community. The programs have been very well received and we have achieved the metrics we had developed.

Meredith gave an overview of what Legacy Healthcare Services has been providing at Kavod for over seven years. They provide occupational, physical and speech therapy and have staff that speak English and Russian. They provide therapy both in the clinic space and in resident's apartments. They accept most insurances and serve over 45 residents monthly. Michael thanked them for being a partner and for adding so many educational programs and supporting our resident programs.

Rabbi Steve shared the variety of Jewish and other religious services offered. He reported on Seth Ward leading Shabbat and holiday services, Rabbi Birdie Becker offering monthly Friday evening music programs and him doing Taste of Shabbat twice a month on Friday evenings. Reverend Dale heads the non-denominational Christian Mustard Seed Community and we now have two Bible studies led by community ministers. Rabbi Steve leads a memorial service when residents pass away with families, residents and staff all participating. There are a number of classes he leads and he also visits residents when they are in the hospital. He is also leading a six part movie series that focuses on the African American experience.

Dre Dufford discussed the Garden Program we have at Kavod. We have 45 residents who have their own garden plots. We have a diverse group of gardeners who plant vegetables, flowers and herbs. We partner with Hazon, Ekar Farms and Denver Urban Gardens. Bonnie Brae Ice Cream donates ice cream for our fundraiser. Several of the flower beds were deepened this year to allow better growing for vegetables.

Uros shared how we have upgraded our smart apartments. We have seven that allow mobility impaired residents to turn on/off lights, open/close their front door, control their thermostats and lower /rise their blinds all from a tablet. Residents appreciate how much easier it is to be in their apartments. We are now looking to connect his technology to voice control.

Ondalee gave a resident update. She is no longer on the resident council board. The board is made up of 4 members and they now will meet every three months. The next meeting is June. She shared information about the resident free loan program, food bank and Robin's Nest program (which gives small stipends to residents who have extreme emergency needs).

Meeting adjourned at 1:00.

AHSI Board Meeting

April 15, 2019 at 3:00 p.m.

Balfour Senior Life

Present: Michael Cohen, Deanie Andersen, Steve Siegel, and Billie Bramhall. Staff: Mike Belieu

Michael Cohen called the meeting to order and asked if there were any corrections to the previous minutes. As there were none, the minutes were approved.

Mike apologized to the group that Michael Klein could not be in attendance at the meeting. Michael Cohen asked Mike Belieu to give his report. Mike reviewed the most recent LLP audits which had been provided in advance to the members. The Allied Housing South audit did have one finding regarding accounts payable and classification of the invoice in the correct year. The committee asked a few questions which Mike responded to.

The group then read through the memo Michael Klein prepared in advance. This memo talked about the refi projects, new grants that Kavod has been awarded, programing and board updates. Mike asked if there were any questions on the memo. The group did not have any questions at that time. Steve suggested that Kavod keep a large amount of money set aside for contingency due to the asbestos work in the West building

Mike reviewed the strategic plan summary that was included in the package and went over some of the key areas Kavod will be focusing on. This summary gives a brief summary of the plan methodology, Kavod's mission, values, and vision for the future along with new strategic goals.

Michael Cohen asked if there was a request for any money to be granted to the Kavod Senior Life Board. Mike replied that no grants were being requested at this time.

Michael Cohen asked if there was any additional items to cover and as there were none, he thanked everyone for coming and adjourned the meeting.