

**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 27, 2020**

**5:30pm**

**Via Zoom Conference Call**

	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"> <li>February 2020 Board Minutes</li> <li>January/February Financials</li> <li>Construction Schedule</li> <li>Fiscal Committee Minutes</li> <li>Resident &amp; Community Services Minutes</li> <li>Kavod Senior Housing &amp; Services Board Minutes</li> </ul>	Rob Friedman	Approval
5:35 pm	Board of Directors Nomination of Jan Schorr	Steven Summer	Approval
5:40 pm	Audit Report and Approval	Connell Saltzman Mike Belieu Ksenia Popke, Eide Bailly	Approval
5:55 pm	Construction Update	Brian Botnick Tracy Kapaun	Informational
6:05 pm	COVID19 Update	Michael Klein Tracy Kapaun Mike Belieu and Staff	Informational
6:35 pm	President/CEO Report	Michael Klein	Informational
6:40 pm	Chairman's Report	Rob Friedman	Informational
6:45 pm	Announcements <ul style="list-style-type: none"> <li>Announcements – upcoming calendar items</li> <li>Next meeting date/time</li> </ul>	Rob Friedman	
6:47 pm	Adjournment		

NEXT MEETING ANNUAL MEETING June 22, 2020

Kavod Senior Life  
Board of Directors  
Board Meeting  
February 24, 2020

Present: Sharon Caulfield, Glenn Cooper, Rob Friedman, Ondalee Kline, Perry Moss, Gary Saltzman, Connell Saltzman, Carl Glatstein, Melanie Siegel, and Molly Zwerdlinger. Staff: Michael Klein, Michael Belieu, Tracy Kapaun, Christine Dewhurst, and Gaile Waldinger. On Zoom: Brian Botnick, Rachel Cohen, Sarah Golombek, and Debbie Reinberg. Guest: Dr. Christine Finlayson, Mr. David Fogel.

A quorum being established, Mr. Rob Friedman called the meeting to order. In order to accommodate the guests' time, the consent agenda was moved to the middle of the agenda.

Mr. Klein introduced Dr. Christine Finlayson from CU Medicine who described the partnership with Kavod to provide onsite medical services to not only Kavod Residents but also to the general senior community. Dr. Finlayson indicated the clinic will be open starting in May with the following schedule: full day on Monday, 1/2 day on Wednesdays and Thursday. The doctors that will be on site will do medical exams and there will be the capabilities for basic testing. The model includes eventually having home visits. It was noted that former Board member, Dr. Kerry Hildreth will be one of the doctors who will come out. The Board asked how the data as well as metrics will be tracked. Dr. Finlayson said that all reporting regarding metrics and data will follow the CU Medicine standards. Mr. Friedman and the Board thanked Dr. Finlayson for coming and for being partners in this project.

Mr. Fogel gave a brief update about the JCRC luncheon and invited the Board to the luncheon. Mr. Fogel reminded the Board that the JCRC is the advocacy arm of the Jewish organizations in not only Denver, but in Colorado.

The Consent Agenda: approval of the December 2019 Board agenda, Committee Reports: – November/December Financials, Fiscal Committee Minutes, Construction Schedule, Resident and Community Services Committee, Kavod Senior Housing and Services Board Minutes (all items were distributed prior to the meeting) were presented for approval. Mr. Moss moved and Ms. Siegel seconded the motion. The motion was approved.

Ms. Siegel provided a quick update on the annual event. She stated the honorees are Molly and Lynn Zwerdlinger and noted that our first sponsorship has been secured. The event will be held at the Broncos Practice Field at Dove Valley on July 23<sup>rd</sup>. The Annual Event Committee is looking at a possible guest celebrity for the event.

MS. Zwerdlinger gave the Resident and Community Services update. She thanked staff for keeping resident programming going during the construction. She also advised the Board of Special Donor/Sponsors Appreciation party that will take place at Lynn Zwerdlinger's home on March 3<sup>rd</sup>. from 5:30-7:30. She also presented to the Board the piece of art that lists all Legacy Donors.

Ms. Zwerdlinger indicated that Gift Acceptance Policy is still being finalized and therefore requested the item be tabled. The item was tabled.

Ms. Dewhurst presented to the Board the results from the Employee Survey.

Ms. Caulfield presented the Compliance report. Ms. Caulfield advised the Board that staff developed a Compliance Dashboard/report which she has reviewed. Ms. Caulfield and Mr. Klein are working on developing a Compliance Policy with regards to the Board and staff. The plan is to bring the policy to the next board meeting for approval. Ms. Caulfield advised the Board that with input from the staff she has updated the Board of Directors job description to be more current. Ms. Caulfield reviewed the job description and requested that the members approve the new document. The Board members reviewed the new job description. The policy was sent to the members on the Zoom call. Mr. Saltzman moved to accept the new job description with the changes in Board terminology i.e. change Board President to Chairman and Mr. Moss seconded the motion. The motion was approved.

Ms. Cohen provided a brief update on the how the Strategic Plan implementation was progressing. She advised she has been working with the Leadership Team to flesh out two of the goals with more specifics. She indicated she will met with the Leadership Team in April to continue to work on the process.

Mr. Klein presented a brief CEO report to the Board. He advised that this year's AJAS Conference will take place in Denver and Kavod will be one of the sites that the group will tour. Mr. Klein requested that the Board meeting which is scheduled for April 27 be moved to April 30<sup>th</sup> as he has secured Carol Silver Elliott, Board Chair for LeadingAge, to do a presentation at the Board meeting>. Her presentation will be related to what Jewish and secular organizations are doing on a national level. He also suggested inviting the Foundation and Kavod Senior Housing and Services Board as well as the full Leadership Team and Shalom Park to this presentation. He advised that the new security person from JEWISHcolorado has initially reviewed our security protocols. We will also have an outside individual perform a more complete survey. Once staff has reviewed the suggestions he will bring recommendations back to the Board on how we should enhance the security at Kavod. Finally, Mr. Klein announced that National CBS Morning News will do a piece on our intergenerational programing.

Mr. Botnick provided a brief update on where construction is at to date. He emphasized the strength of our team that is managing the construction project. Ms. Kapaun reviewed, once again, how Kavod is communicating the construction updates on a weekly basis.

Mr. Belieu advised that we have made 2 draws on the construction loan. The draws are being looked at by Midfirst Bank and the title company. Mr. Saltzman advised that the Fiscal Committee is following the progress of the construction project and is keeping an eye on the draws and any change orders that are being placed. Both Mr. Botnick and Mr. Saltzman commended the team for the hard work on the construction project.

Due to the time, Mr. Friedman presented a short Chairman's report. He reiterated that the April Board meeting will take place on the 30<sup>th</sup>.

The Board went into executive session at 6:40 to discuss the CEO Compensation and agreed upon the recommendations by the Compensation Committee.

Meeting adjourned at 7:10pm

## Notes to Covid-19 Financial Projections

April 20, 2020

Prepared by Mike Belieu, CFO, Kavod Senior Life

### Cash:

- Cash from operating activities will be lower than projected. Activity, grant, and rental revenue will all be lower reducing the amount of operating cash collected.
- Kavod has over \$5.02 million in operating cash to weather a long term slow down.
- Like the 2020 budget I have calculated the free cash flow at the bottom of the excel worksheet. This number adds back non-cash items like depreciation and subtracts the loan fund and fixed asset spending.
- The MidFirst SBA loan provided an additional \$794,400 in cash to pay salaries, debt service and utilities.
  - MidFirst has extended the interest only payments through June 2020 which will reduce cash payments for principal.

### Net Income:

- Through March 2020 Net Income will be close to budget or exceed budget.
- April, May and June Net Income is expected to lower than projected due to lower activity revenue, higher vacancy and higher expenses due to Covid-19 actions.

### Revenue:

- Rental revenue is projected to be at least 2% to 3% lower than budget.
  - Kavod expects more residents cannot/will not pay their portion of the rent and food payments.
  - Moving new residents in to vacant apartments will take longer creating higher vacancy. Kavod could also see potential residents not wanting to move in at all
  - We are already seeing a small increase in delinquent residents in April. Kavod expects this to continue at least through June 2020. These missed payments will also impact Dining revenue.
  - Assisted Living occupancy is very good through April 2020. At this time we are not moving in any new residents into Assisted Living. This will impact future revenue and occupancy and lower rental income.
- Kavod has received \$25,000 in grants, and \$36,000 in donations for Covid-19. These donations will go directly to benefit the residents and pay for Covid-19 expenses. These items are included in the worksheet at revenue.

### Expenses:

- Covid-19 related cost started in March 2020. The impact will be noticed starting in April 2020.
- Construction delays impacting the Pinkard contract. Pinkard estimates general conditions and salaries of \$40,000 per month if all work is stopped. Pinkard continues to work on projects that do not affect the residents. I have estimated 1 and ½ month of general condition costs in the second quarter and ½ a month in the third quarter.
- Additional Covid-19 expenses include the following:
  - Temp labor and salary costs to staff the three check in stations runs \$4,200 per week for temp labor and \$2,200 per week for Kavod staff.
  - Kavod is also paying \$1 per hour more for hourly staff who are onsite working directly with residents and the public. The first payroll after this was implemented saw an additional \$3,300 in expense or \$6,600 per month. The April 14 pay period

Kavod also paid a small bonus for each hourly and some support staff. This totaled \$13,000.

- Supplies including masks, gloves, gowns, cleaning supplies. We expect between \$3,500 to \$4,500 per month in extra supply expenses per month.

**KAVOD SENIOR LIFE  
FINANCIAL PROJECTION  
Through 3rd QTR 2020**

	YTD Through February	March 2020	2nd Quarter 2020	3rd Quarter 2020	Total Through 3rd QTR	Total Budget Through 9/30	Variance	Annual Budget
<b>Revenues</b>								
Rental Income/Property Man Fees	\$ 1,292,753	\$ 646,377	\$ 1,902,650	\$ 1,989,300	\$ 5,831,080	\$ 6,022,232	\$ (191,153)	\$ 8,029,643
Food Services	175,264	87,632	258,600	262,896	784,392	816,675	(32,283)	1,088,900
Assisted Living	169,733	84,867	254,000	264,100	772,700	805,050	(32,351)	1,073,400
Grant Income	19,479	-	25,000	29,219	73,698	236,700	(163,003)	315,600
*Contributions	16,195	27,400	36,980	24,293	104,868	150,225	(45,357)	200,300
	1,673,424	846,275	2,477,230	2,569,807	7,566,737	8,030,882	\$ (464,146)	10,707,843
Other Revenue/Interest Income	17,489	8,744	22,450	21,659	70,342	88,650	(18,308)	118,200
<b>Total Revenues</b>	<b>\$ 1,690,913</b>	<b>\$ 855,019</b>	<b>\$ 2,499,680</b>	<b>\$ 2,591,466</b>	<b>\$ 7,637,078</b>	<b>\$ 8,119,532</b>	<b>\$ (482,454)</b>	<b>10,826,043</b>
<b>Operating Expense</b>								
General & Admin/Other Expenses	393,069	196,535	599,520	589,604	1,778,727	1,827,245	(48,518)	2,436,327
Operations & Maintenance	349,559	174,780	498,125	524,339	1,546,802	1,681,327	(134,525)	2,241,769
**Program Expenses	220,506	110,253	315,400	330,760	976,919	869,738	107,181	1,159,651
Fundraising Costs	17,792	8,896	18,640	26,688	72,017	91,575	(19,558)	122,100
Food Services	280,058	140,029	436,400	425,600	1,282,087	1,180,523	101,565	1,574,030
Assisted Living Program	164,181	82,091	251,650	246,272	744,193	703,769	40,425	938,358
<b>Total Operating Expense</b>	<b>1,425,166</b>	<b>712,583</b>	<b>2,119,735</b>	<b>2,143,261</b>	<b>6,400,745</b>	<b>6,354,176</b>	<b>46,569</b>	<b>8,472,235</b>
<b>Net Operating Income</b>	<b>\$ 265,747</b>	<b>\$ 142,436</b>	<b>\$ 379,945</b>	<b>\$ 448,205</b>	<b>\$ 1,236,333</b>	<b>\$ 1,765,356</b>	<b>\$ (529,023)</b>	<b>2,353,808</b>
<b>Non-Operating Expense</b>								
Capital/Non Capital Improvements	0	0	8,900	4,200	6,200	28,125	(21,925)	37,500
<b>Covid Related Costs</b>								
Temp labor and Salaries	0	12,000	96,740	28,250	136,990	0	136,990	
Supplies	0	2,700	9,420	6,480	18,600	0	18,600	
Construction Delay Costs	0	0	60,000	20,000	80,000		80,000	0
Depreciation/Amortization	157,700	78,850	236,550	236,550	709,650	705,750	3,900	941,000
Consultants	8,000	4,000	6,000	16,400	34,400	53,550	(19,150)	71,400
Debt Service	62,000	31,000	93,000	96,580	282,580	327,000	(44,420)	436,000
<b>Total Non-Operating Expense</b>	<b>227,700</b>	<b>128,550</b>	<b>510,610</b>	<b>408,460</b>	<b>1,268,420</b>	<b>1,114,425</b>	<b>153,995</b>	<b>1,485,900</b>
<b>Net Income</b>	<b>\$ 38,047</b>	<b>\$ 13,886</b>	<b>\$ (130,665)</b>	<b>\$ 39,745</b>	<b>\$ (32,087)</b>	<b>\$ 650,931</b>	<b>\$ (683,018)</b>	<b>\$ 867,908</b>
<b>Current Cash Balance as of 04/20/2020</b>	<b>\$ 5,021,600</b>					<b>5,149,000</b>		
<b>Add back non Cash Items</b>								
MidFirst PPP Loan			794,400					
Depreciation Expense	\$ 157,700	\$ 78,850	\$ 236,550	\$ 236,550	\$ 709,650	\$ 705,750	\$ 3,900	\$ 941,000
<b>Less:</b>								
MidFirst Loan Reserve	166,667	83,333	95,000	250,000	595,000	750,000	(155,000)	1,000,000
Capital Expenditures	0	0	8,900	4,200	6,200	28,125	(21,925)	452,300
<b>Free Cash Flow</b>	<b>\$ 5,050,680</b>	<b>\$ 5,060,084</b>	<b>\$ 5,856,469</b>	<b>\$ 5,878,563</b>	<b>\$ 5,954,927</b>	<b>\$ 5,727,556</b>	<b>\$ 227,371</b>	<b>\$ 356,608</b>

Ending Cash Balance does not include MidFirst Loan Proceeds.

## **Kavod Senior Life**

### **Fiscal Committee Meeting Minutes from February 18, 2020**

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Members Present: Rob Friedman, Gary Saltzman, Steven Summer, Perry Moss, and Connell Saltzman

Staff: Michael Klein, Mike Belieu, and Tracy Kapaun. Guests: Max Reiner and Michael Silverman from Marx Okubo

The meeting was conducted via Zoom and all participants were able to hear the conversation.

Connell called the committee meeting to order at 5 p.m. Max Reiner and Michael Silverman from Marx Okubo joined the call to give an overview of the construction and abatement status. An overall update for construction and abatement was included with the monthly package Mike Belieu sent out. Max mentioned that Pinkard has all the permits for the West building; he also mentioned that the East Building permit was picked up and work has started on the bistro and restrooms. Abatement work continues on the residential units with Orion currently working on the seventh floor. Wade, Orion and Pinkard are working more closely together to eliminate problems with the abatement process and having to go back and redo apartments. Currently the West office should be done by April 9; work in the West building is scheduled to be done July 2020. Rob asked if there was an update to the overall construction schedule, Max said was going to check on the update and provided it before Monday's board meeting. Mike then discussed the pipe issue in the West building. He mentioned Pinkard obtained three bids and Southland Industries was the least expensive bid. The group decided to add the work to the existing Pinkard GMP, Pinkard will add a change order to the contract.

Connell asked if there was any questions on the December 2019 financials. The December/Year End monthly financial statements were reviewed. Mike went over the high-level numbers from the year-end results and Connell referred to the commentary Mike includes with the notes to explain variances. Mike mentioned some of the year-end adjustments that were made. Net Income should be over \$1million dollars. The group approved the December financial statements with the motion made by Perry and seconded by Rob. Motion passed.

The January 21<sup>th</sup> Fiscal Meeting minutes were reviewed. The group approved the minutes from January meetings with the motion made by Rob and seconded by Perry. Motion passed.

Mike asked the group if they had any questions on the MidFirst loan tracking worksheet. Rob had questions on the status of the work and if Marx Okubo has enough funds remaining to complete the project without going over budget. Mike confirmed that Marx Okubo should have enough remaining budget, Michael Silverman confirmed this via email.

Mike then gave an update of the audit work. Eide Bailly will be onsite starting March 2 for a week. Mike and his staff have been working on year-end entries and reviewing the financial records in preparation of the audit. Yardi implementation has started. Mike and his staff are working with Yardi to set up the database. Kavod has hired a consulting firm out of Boston to assist with the implementation. The goal is to have software in place by the end of April 2020. The meeting was adjourned at 6:10.

The next meeting is scheduled for March 17, 2020 at 8:00 a.m. via Zoom conference call.



## Notes to January 2020 Financial Statements

*Prepared by Mike Belieu, CFO, Kavod Senior Life*

I have prepared a summary of some key items on the January 2020 statements. These are preliminary numbers and subject to change.

### Cash:

- Operating cash balance as of January 2020 is \$5,063,000, down from \$5,214,000 in December 2019. Please see chart on first page of financial summary. This balance includes reserves invested at Morgan Stanley and the \$2.6 million in cash funded by the MidFirst loan.

### Net Income:

- Through January 2020, the net loss less capital costs is \$63,398 versus the budgeted net loss of \$100,254.
- January is a three pay period month so salaries and taxes are higher than a normal month.
- East property revenue is lower than budget. Vacancy for both East and West are higher than normal for January and February 2020.

### Revenue:

- Total revenue YTD through January 2020 is \$860,050 compared to the budgeted amount of \$892,068 a difference of \$32,018 or 4 percent.
- Other revenue consists of income from Independent and Assisted Living activities, laundry, cleaning, and interest income. Other revenue came in \$830 lower than budget.
- Rental revenue is under budget by \$14,105 through January 2020. The Allied Housing Inc. (AHI) statement includes property management fees in the amount of \$19,900 versus a budget of \$18,896. These fees are paid by the three HUD buildings to AHI on a monthly basis for overall management of the properties. See further explanation under expenses.
- Assisted Living revenue YTD is over budget by \$2,688. For January 2020 there were four market rate units vacant. Kavod currently has two couples in the Assisted Living units which increase monthly revenue.
- Dining revenue is under budget YTD by \$3,279. *There were 32 meal exceptions in January. Please see chart on first page of financial summary.*
- Grant revenue is under budget by \$11,821 through January.
- Contribution revenue is lower than budget by \$4,669 through January 2020.

### Expenses:

- Total operating expenses for January 2020 were \$811,147 compared to the budgeted amount of \$870,370 a difference of \$59,582 or 7 percent less than budget.
- Net Operating Income (NOI) came in higher than budget through January at \$48,902 versus the budgeted amount of \$21,338.
- Assisted Living expenses year to date are higher than budget by \$234. Most categories are slightly under budget for January and YTD.
- The Operations and Maintenance category is under budget by \$23,056 due lower labor and supplies costs.

- Food Service costs are under budget by \$2,202. Food Service costs are under budget, Cook salary costs are over budget to salary adjustments and one time bonuses.
- Program costs are under budget by 18,853. This line item is made up of Activities labor and direct costs, IT support labor, Service Coordinator labor and supplies, and grant related activities including Kavod on the Road and religious activities.
- Fundraising costs are over budget by \$1,818. Salaries are higher in January due to one time increases. The category will be on budget for the remainder of the year.
- General and Admin expenses are under \$17,523 through January 2020. Multiple categories are under budget including labor and benefit expenses.
- Property management fees are over budget \$1,004 through January with \$19,900 actual expenses versus a budget of \$18,896. 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 \$9,292 under budget. Consulting costs are under budget by \$3,500. These costs include work on the strategic plan, grant writing, data collection and expenses related to evaluating possible senior housing projects. The data collection expense is offset by the Rose Community grant.

**KAVOD SENIOR LIFE  
YTD FINANCIAL SUMMARY  
as of 01/31/2020**

Revenues	LPs	AHI	Total YTD 2020	2020 YTD Budget	2020 Budget	% Change from YTD
Rental Income/Property Man Fees	\$ 628,895	\$ 19,900	\$ 648,795	\$ 662,900	\$ 8,029,643	-2%
Food Services	86,446	0	86,446	89,726	1,088,900	-4%
Assisted Living	89,287	0	89,287	86,600	1,073,400	3%
Grant Income	0	14,479	14,479	26,300	315,600	-45%
*Contributions	0	12,023	12,023	16,692	200,300	-28%
	804,628	46,402	851,030	882,218	10,707,843	-4%
Other Revenue/Interest Income	8,230	790	9,020	9,850	118,200	-8%
<b>Total Revenues</b>	<b>812,858</b>	<b>47,192</b>	<b>\$ 860,050</b>	<b>892,068</b>	<b>10,826,043</b>	<b>-4%</b>
<b>Operating Expense</b>						
General & Admin/Other Expenses	218,631	18,600	237,231	254,754	2,438,535	-7%
Operations & Maintenance	186,138	0	186,138	209,194	2,241,769	-11%
**Program Expenses	98,681	32,463	131,144	149,997	1,159,651	-13%
Fundraising Costs	0	10,353	10,353	8,535	122,100	21%
Food Services	152,155	0	152,155	154,357	1,574,030	-1%
Assisted Living Program	94,127	0	94,127	93,893	927,658	0%
<b>Total Operating Expense</b>	<b>749,732</b>	<b>61,415</b>	<b>811,147</b>	<b>870,730</b>	<b>8,463,743</b>	<b>-7%</b>
<b>Net Operating Income</b>	<b>63,126</b>	<b>(14,224)</b>	<b>48,902</b>	<b>21,338</b>	<b>2,362,300</b>	<b>129%</b>
<b>Non-Operating Expense</b>						
Capital/Non Capital Improvements	0	0	0	3,125	37,500	-100%
Depreciation/Amortization	78,850	0	78,850	78,417	941,000	1%
Consultants	0	2,450	2,450	5,950	71,400	-59%
Debt Service	31,000	0	31,000	37,225	446,700	-17%
<b>Total Non-Operating Expense</b>	<b>109,850</b>	<b>2,450</b>	<b>112,300</b>	<b>124,717</b>	<b>1,496,600</b>	<b>-10%</b>
<b>Net Income</b>	<b>\$ (46,724)</b>	<b>\$ (16,674)</b>	<b>\$ (63,398)</b>	<b>\$ (103,379)</b>	<b>\$ 865,700</b>	<b>-39%</b>
<b>Net Income after Cap Exp Removed</b>	<b>\$ (46,724)</b>		<b>\$ (63,398)</b>	<b>\$ (100,254)</b>	<b>\$ 903,200</b>	
<b>DRAFT ONLY-FOR DISCUSSION PURPOSES ONLY</b>						

Monthly Operating Cash Balance	January 20	December 19	November 19	September 19	August 19
Cash on Hand	\$ 5,063,000	\$ 5,149,000	\$ 5,214,000	5,218,000	\$ 5,289,000

Kavod Meal Exceptions	January 20	December 19	November 19	September 19	August 19
Number of Residents	32	34	33	33	34

**Total Special Projects 2020**

	Cost to Date	Total Budget	Variance
South Special Projects	\$ -	\$ -	\$ -
West Special Projects	\$ -	\$ -	\$ -
East Special Projects	\$ -	\$ -	\$ -
<b>Total Special Projects Through January</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Contribution income is made up of Kavod on the Road, Event, and general donation revenue, and one time revenue from 2018

\*\* Program Expenses are made up of Kavod on the Road, grant, care coordinator, resident services, and religious costs.

**Allied Housing, Inc. - Unrestricted Accounts**  
**Profit Loss**  
**January 2020**

	YTD Through January 2020	YTD Budget	Annual Budget	Budget Variance	% of Budget YTD Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
Management Fee Revenue	19,900	18,896	226,750	1,004	
Grant Income	14,479	26,300	315,600	(11,821)	5%
A la Carte Services	790	1,367	16,400	(577)	5%
Donation Income/Special Events	5,758	11,925	143,100	(6,167)	4%
Kavod On The Road	6,265	2,875	34,500	3,390	18%
Kavod Foundation					
Rose Endowment Income	-	358	4,300	(358)	0%
Shul Income					
Shul Donations	-	167	2,000	(167)	0%
Total Shul Income	-	167	2,000	(167)	0%
<b>Total Income</b>	<b>47,192</b>	<b>61,888</b>	<b>742,650</b>	<b>(14,696)</b>	<b>6%</b>
<b>Expense</b>					
Management Salary and Benefit Expense	18,600	18,896	226,750	(296)	8%
L'Chaim	-	842	10,100	(842)	0%
Supplies	-	417	5,000	(417)	0%
Total L'Chaim	-	1,258	15,100	-	0%
Kavod On The Road					
Meetings/Classes	463	417	5,000	47	9%
Program Expenses	-	1,367	16,400	(1,367)	0%
Payroll	9,672	7,315	63,400	2,357	15%
Mileage	40	167	2,000	(127)	2%
Supplies	4,237	800	9,600	3,437	44%
Events	1,450	292	3,500	1,158	41%
Entertainment	-	417	5,000	(417)	0%
Kavod On The Road - Other	-	75	900	(75)	0%
Total Kavod On The Road	15,862	10,849	105,800	5,014	15%
A la Carte Labor	947	1,000	12,000	(53)	8%
Grant Expense	6,573	1,137	13,646	5,435	48%
Accounting Services	-	683	8,200	(683)	
Bank Charges & CC Fees	46	150	1,800	(104)	3%
Chaplain Services	6,787	5,250	63,000	1,537	11%
Charity & Donations	-	250	3,000	(250)	0%
Consulting Expense					
Strategic Plan/Housing Consulting	-	1,000	12,000	(1,000)	0%
A/L-Financial Software Consulting	-	1,833	22,000	(1,833)	0%
Board Compliance		250	3,000	(250)	
Grant Writing	2,450	2,450	29,400	-	8%
Data/Housing Consultant	-	417	5,000	(417)	0%
Total Consulting Expense	2,450	5,950	71,400	(3,500)	3%
Events					
Annual Meeting	-	1,750	21,000	(1,750)	0%
Total Events	-	1,750	21,000	(1,750)	0%

**Allied Housing, Inc. - Unrestricted Accounts**  
**Profit Loss**  
January 2020

	YTD Through January 2020	YTD Budget	Annual Budget	Budget Variance	% of Budget YTD Budget
<b>Fundraising Expense</b>					
Memberships	-	33	400	(33)	0%
Security	-	42	500	(42)	0%
Training	-	292	3,500	(292)	0%
Outreach/Printing	-	1,083	13,000	(1,083)	0%
Entertainment/Space Rental	100	292	3,500	(192)	3%
Fundraising Labor	10,078	6,651	79,815	3,427	13%
Supplies	175	142	1,700	33	10%
<b>Total Fundraising Expense</b>	<b>10,353</b>	<b>8,535</b>	<b>102,415</b>	<b>1,818</b>	<b>10%</b>
<b>Legal Expense</b>	-	258	3,100	(258)	0%
<b>Mailing &amp; Postage</b>	-	2,083	25,000	(2,083)	0%
<b>Other Religious Services</b>	200	369	4,428	(169)	5%
<b>Shul Books &amp; Religious Supplies</b>	496	101	1,215	395	41%
<b>Tree of Life</b>	1,477	33	400	1,443	0%
<b>Shul Kiddish</b>	-	292	3,500	(292)	0%
<b>Shul Religious Services</b>	75	558	6,700	(483)	1%
<b>Shul Religious Classes &amp; Events</b>	-	42	500	(42)	0%
<b>Shul - Training</b>	-	292	3,500	(292)	0%
<b>Total Expense</b>	<b>63,865</b>	<b>59,737</b>	<b>692,454</b>	<b>4,129</b>	<b>9%</b>
<b>Other Income/Expense</b>					
<b>Other Income</b>					
Dividend Income	-	8	100	(8)	0%
<b>Total Other Income</b>	<b>-</b>	<b>8</b>	<b>100</b>	<b>(8)</b>	
<b>Net Other Income/Expense</b>	<b>-</b>	<b>8</b>	<b>100</b>	<b>(300)</b>	<b>0%</b>
<b>Net Income</b>	<b>(16,674)</b>	<b>2,151</b>	<b>50,296</b>	<b>(14,523)</b>	<b>-33%</b>

ALLIED HOUSING, INC.  
PRELIMINARY  
YTD Profit and Loss Statement  
For the Month Ending January 31, 2020

	January			Year to Date			Annual	%
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Remain
<b>REVENUE</b>								
Revenue - Rent Income From Apartments - Independent	\$129,716	\$132,931	(\$3,215)	\$129,716	\$132,931	(\$3,215)	\$1,613,804	91.96%
Revenue - Tenant Assistance Payments	499,179	511,073	(11,894)	499,179	511,073	(11,894)	6,189,089	91.93%
Revenue - ALP Program Full Pay Residents	56,255	52,500	3,755	56,255	52,500	3,755	630,000	91.07%
Revenue - ALP Program Partial Pay Tenants	9,874	10,400	(526)	9,874	10,400	(526)	159,000	93.79%
Revenue - ALP Program Medicaid Contributions	23,159	23,700	(541)	23,159	23,700	(541)	284,400	91.86%
Revenue - Food Service/Receipts	78,097	79,650	(1,553)	78,097	79,650	(1,553)	968,000	91.93%
Revenue - Meal Subsidy	(12,401)	(10,833)	(1,568)	(12,401)	(10,833)	(1,568)	(130,000)	90.46%
Revenue - ALP Supplement	19,450	19,867	(417)	19,450	19,867	(417)	238,400	91.84%
Revenue - Meal Delivery, Guest Meals, etc.	1,300	1,042	259	1,300	1,042	259	12,500	89.60%
<b>Total Revenue</b>	<b>804,630</b>	<b>820,329</b>	<b>(15,699)</b>	<b>804,630</b>	<b>820,329</b>	<b>(15,699)</b>	<b>9,965,193</b>	<b>91.93%</b>
<b>EXPENSE</b>								
General & Administrative								
Property Management Fees	19,900	18,896	1,004	19,900	18,896	1,004	226,750	91.22%
Salary Allocation to AHI	(18,600)	(18,896)	296	(18,600)	(18,896)	296	(223,200)	91.22%
Labor - Food Service Manager	7,830	7,737	93	7,830	7,737	93	67,053	88.32%
Labor - Leasing	21,594	21,993	(399)	21,594	21,993	(399)	190,605	88.67%
Labor - Front Office Staff	12,410	12,205	205	12,410	12,205	205	105,777	88.27%
Labor - Community Relations/Marketing	15,546	14,649	898	15,546	14,649	898	126,957	87.75%
Labor - Accounting/Human Resources/Director	58,818	60,832	(2,014)	58,818	60,832	(2,014)	527,208	88.84%
Labor - Potential Bonus	0	0	0	0	0	0	65,001	100.00%
Labor - Payroll Taxes	8,854	8,442	412	8,854	8,442	412	73,162	87.90%
Labor - Payroll Taxes - FS Admin	649	593	56	649	593	56	5,135	87.36%
Labor - Workers Comp Expense	252	441	(189)	252	441	(189)	4,500	94.40%
Labor - Workers Comp Expense - FS Admin	208	158	50	208	158	50	1,894	89.04%
Labor - Employee Benefits	11,250	21,042	(9,792)	11,250	21,042	(9,792)	214,590	94.76%
Labor - Employee Benefits - FS Admin	1,315	1,111	204	1,315	1,111	204	13,326	90.14%
Labor - Help Wanted Advertising	0	208	(208)	0	208	(208)	2,501	100.00%
Labor - Screening/Background Checks	0	208	(208)	0	208	(208)	2,501	100.00%
Labor - Training and Development	2,762	3,417	(654)	2,762	3,417	(654)	41,000	93.26%
Employee Recognition	4,674	3,167	1,507	4,674	3,167	1,507	38,000	87.70%
Employee Wellness	200	917	(717)	200	917	(717)	11,000	98.18%
Marketing - Ad Placement, Brochures, etc.	1,610	2,250	(640)	1,610	2,250	(640)	27,000	94.04%
Marketing - Community Outreach/Open House	1,549	3,170	(1,621)	1,549	3,170	(1,621)	38,041	95.93%
Board Development	974	542	432	974	542	432	6,500	85.02%
Bank Charges	89	83	5	89	83	5	1,000	91.15%
Mileage Reimbursements	390	208	182	390	208	182	2,501	84.40%
Supplies/Postage/FedEx	5,204	5,583	(379)	5,204	5,583	(379)	67,000	92.23%
Telephone/Answering/DSL	2,332	2,833	(501)	2,332	2,833	(501)	34,001	93.14%
Outside Services & Labor	4,883	3,583	1,300	4,883	3,583	1,300	43,000	88.64%
Dues and Subscriptions	7,605	3,167	4,438	7,605	3,167	4,438	38,000	79.99%
License Expense	250	1,212	(962)	250	1,212	(962)	14,549	98.28%
Accounting & Audit Expense	0	3,750	(3,750)	0	3,750	(3,750)	45,001	100.00%
Legal Expense	0	1,000	(1,000)	0	1,000	(1,000)	12,000	100.00%
Other Renting Expense	453	1,458	(1,005)	453	1,458	(1,005)	17,500	97.41%
Hardware - CIS	868	1,917	(1,049)	868	1,917	(1,049)	23,000	96.23%
Software - CIS	0	1,583	(1,583)	0	1,583	(1,583)	19,000	100.00%
Support, Repairs & Maintenance - CIS	3,438	4,750	(1,312)	3,438	4,750	(1,312)	57,000	93.97%
Property & Liability Insurance	22,726	22,744	(78)	22,726	22,744	(78)	272,932	91.70%
<b>Total General &amp; Administrative</b>	<b>218,631</b>	<b>235,850</b>	<b>(17,218)</b>	<b>218,631</b>	<b>235,850</b>	<b>(17,218)</b>	<b>2,211,785</b>	<b>91.02%</b>
<b>Food Service</b>								
Labor - Hourly Cooks	43,973	35,827	8,146	43,973	35,827	8,146	310,500	85.84%
Labor - Hourly Servers	25,909	28,989	(3,080)	25,909	28,989	(3,080)	251,241	89.69%
Labor - Assistant Manager	13,619	11,461	2,158	13,619	11,461	2,158	99,329	86.29%
Labor - Catering	0	1,492	(1,492)	0	1,492	(1,492)	17,900	100.00%
Labor - Special Staffing	0	667	(667)	0	667	(667)	8,000	100.00%
Labor - Outside Services Labor Expense	164	2,083	(1,919)	164	2,083	(1,919)	25,000	99.34%
Labor - Payroll Taxes	7,158	4,600	2,558	7,158	4,600	2,558	55,200	87.03%
Labor - Workers Comp Expense	2,460	2,367	94	2,460	2,367	94	28,400	91.34%
Labor - Employee Benefits	9,525	8,750	775	9,525	8,750	775	105,000	90.93%
Food & Beverage Expense	42,337	50,410	(8,073)	42,337	50,410	(8,073)	580,920	92.71%
Food Paper Products Expense	2,255	4,420	(2,165)	2,255	4,420	(2,165)	53,040	95.75%
Cleaning Supplies & Service Expense	741	667	75	741	667	75	8,000	90.73%
Laundry & Linen Expense	866	750	116	866	750	116	9,000	90.38%
Equipment Expense	199	1,250	(1,051)	199	1,250	(1,051)	15,000	98.67%

ALLIED HOUSING, INC.  
PRELIMINARY  
YTD Profit and Loss Statement  
For the Month Ending January 31, 2020

	January			Year to Date			Annual Budget	% Remain
	Actual	Budget	Variance	Actual	Budget	Variance		
Uniforms Expense	2,948	625	2,323	2,948	625	2,323	7,500	60.69%
Total Food Service	152,155	154,357	(2,203)	152,155	154,357	(2,203)	1,574,030	90.33%
Assisted Living Program								
Labor - Manager	8,115	8,250	(135)	8,115	8,250	(135)	75,632	89.27%
Labor - Care Givers, CC & Aides	47,828	48,493	(664)	47,828	48,493	(664)	420,269	88.62%
Labor - Payroll Taxes	4,846	4,215	631	4,846	4,215	631	36,533	86.74%
Labor - Workers Comp Expense	3,676	1,938	1,738	3,676	1,938	1,738	23,250	84.19%
Labor - Employee Benefits	7,937	7,610	326	7,937	7,610	326	91,324	91.31%
Labor - Medical Required Testing	0	142	(142)	0	142	(142)	1,700	100.00%
Dietary Supplies	19,450	19,867	(417)	19,450	19,867	(417)	238,400	91.84%
Medication Set-ups	249	88	162	249	88	162	1,050	76.28%
Other ALP expenses	65	125	(60)	65	125	(60)	1,500	95.70%
A/L Marketing	0	892	(892)	0	892	(892)	10,700	100.00%
Recreation & Rehabilitation	1,961	3,167	(1,205)	1,961	3,167	(1,205)	38,000	94.84%
Total Assisted Living Program	94,127	93,893	233	94,127	93,893	233	927,658	89.85%
Operations & Maintenance								
Labor - Housekeeping Supervisor	7,280	7,027	253	7,280	7,027	253	60,899	88.05%
Labor - Housekeeping Staff	18,266	17,265	1,001	18,266	17,265	1,001	149,634	87.79%
Labor - Maintenance Manager/Director	27,210	22,793	4,416	27,210	22,793	4,416	197,543	86.23%
Labor - Maintenance Staff	16,704	18,958	(2,254)	16,704	18,958	(2,254)	164,301	89.83%
Labor - Protection (Security)	7,431	8,977	(1,546)	7,431	8,977	(1,546)	77,800	90.45%
Labor - Payroll Taxes	6,367	5,547	820	6,367	5,547	820	48,078	86.76%
Labor - Workers Comp Expense	1,907	1,357	551	1,907	1,357	551	16,279	88.28%
Labor - Employee Benefits	6,736	10,261	(3,525)	6,736	10,261	(3,525)	123,129	94.53%
Labor - Temporary	3,029	1,500	1,529	3,029	1,500	1,529	18,000	83.17%
Outside Services - Cleaning	1,903	6,833	(4,930)	1,903	6,833	(4,930)	82,000	97.68%
Outside Services - Exterminating	6,700	2,583	4,117	6,700	2,583	4,117	31,000	78.39%
Outside Services - Grounds	0	2,083	(2,083)	0	2,083	(2,083)	25,001	100.00%
Outside Services - Repairs	39,151	39,583	(432)	39,151	39,583	(432)	475,001	91.76%
Outside Services - Elevator Maintenance	2,499	3,917	(1,418)	2,499	3,917	(1,418)	47,000	94.68%
Outside Services - Snow Removal	0	1,250	(1,250)	0	1,250	(1,250)	15,001	100.00%
Outside Services - Garbage and Trash Removal	4,663	4,250	413	4,663	4,250	413	51,000	90.86%
Outside Services - Life Safety & Security	819	3,500	(2,681)	819	3,500	(2,681)	42,000	98.05%
License & Permit Expense	0	258	(258)	0	258	(258)	3,099	100.00%
Maintenance Supplies	8,580	20,833	(12,253)	8,580	20,833	(12,253)	250,000	96.57%
Decorating Expense - Common Area	94	142	(48)	94	142	(48)	1,700	94.48%
Utilities - Electric	12,348	15,000	(2,652)	12,348	15,000	(2,652)	180,000	93.14%
Utilities - Water	2,764	3,833	(1,069)	2,764	3,833	(1,069)	45,999	93.99%
Utilities - Gas	7,184	5,917	1,268	7,184	5,917	1,268	71,000	89.88%
Utilities - Sewer	4,468	5,500	(1,032)	4,468	5,500	(1,032)	66,005	93.23%
Mileage Reimbursement	35	25	10	35	25	10	300	88.50%
Total Operations & Maintenance	186,138	209,194	(23,056)	186,138	209,194	(23,056)	2,241,769	91.70%
Total Expenses	651,050	693,294	(42,244)	651,050	693,294	(42,244)	7,178,442	90.93%
Operating Excess/(Deficit)	153,579	127,034	26,545	153,579	127,034	26,545	2,786,751	94.49%
OTHER ELDER CARE INCOME & (EXPENSE)								
Activities Program								
Activities Revenue - Resident Receipts	(1,075)	(1,917)	842	(1,075)	(1,917)	842	(23,000)	95.33%
Activities Revenue - ALP Receipts	(1,961)	(3,333)	1,372	(1,961)	(3,333)	1,372	(40,000)	95.10%
Activities Revenue - Donations	0	(8)	8	0	(8)	8	(100)	100.00%
Assisted Living Activities Expense	1,961	3,333	(1,372)	1,961	3,333	(1,372)	40,000	95.10%
Newsletter expense	105	2,083	(1,978)	105	2,083	(1,978)	25,001	99.58%
Activities Outreach/ Food	475	1,583	(1,109)	475	1,583	(1,109)	19,000	97.50%
Classes Expense	895	933	(39)	895	933	(39)	11,199	92.01%
Health & Wellness Expense	1,610	2,915	(1,305)	1,610	2,915	(1,305)	34,980	95.40%
Outings Expense	4,853	5,417	(563)	4,853	5,417	(563)	65,001	92.53%
Family Events	0	308	(308)	0	308	(308)	3,700	100.00%
Total Core Program (Inc)/Exp	6,863	11,315	(4,452)	6,863	11,315	(4,452)	135,781	94.95%
Labor - Activities Staff	19,344	23,507	(4,163)	19,344	23,507	(4,163)	203,729	90.51%
Labor - Payroll Taxes	1,740	1,809	(69)	1,740	1,809	(69)	15,677	88.90%
Labor - Workers Comp	553	462	91	553	462	91	5,540	90.02%
Labor - Employee Benefits	4,675	4,183	493	4,675	4,183	493	50,194	90.69%
Van Expense	410	1,083	(674)	410	1,083	(674)	13,000	96.85%
Net Gift Shop Activity	(57)	100	(157)	(57)	100	(157)	1,202	104.74%
Net Library Activity	0	29	(29)	0	29	(29)	350	100.00%
Total Other Program Expense	26,665	31,173	(4,508)	26,665	31,173	(4,508)	289,692	90.80%



ALLIED HOUSING, INC.  
PRELIMINARY  
YTD Profit and Loss Statement  
For the Month Ending January 31, 2020

	January			Year to Date			Annual Budget	% Remain
	Actual	Budget	Variance	Actual	Budget	Variance		
Total Activities Program (Inc)/Exp	33,528	42,488	(8,960)	33,528	42,488	(8,960)	425,473	92.12%
Resident Computer Center								
RCC - Wages - RCC Staff	7,676	6,715	961	7,676	6,715	961	58,195	86.81%
RCC - Payroll Taxes	698	473	224	698	473	224	4,825	85.54%
RCC - Workers Comp Expense	232	173	59	232	173	59	2,079	88.82%
RCC - Employee Benefits	2,158	1,267	892	2,158	1,267	892	15,200	85.80%
Total RCC Expense	10,764	8,628	2,136	10,764	8,628	2,136	80,299	86.59%
Service Coordinator Program								
Labor - Service Coordinator	40,264	33,197	7,067	40,264	33,197	7,067	287,708	86.01%
Labor - Payroll Taxes	3,941	2,623	1,317	3,941	2,623	1,317	22,736	82.67%
Labor - Workers Comp Expense	1,047	547	500	1,047	547	500	6,561	84.04%
Labor - Employee Benefits	6,051	3,243	2,809	6,051	3,243	2,809	38,912	84.45%
Activities Outreach	50	375	(325)	50	375	(325)	4,500	98.89%
Total Service Coordinator (Inc)/Exp	51,352	39,985	11,367	51,352	39,985	11,367	360,417	85.75%
Total Other Elder Care (Inc)/Exp	95,645	91,101	4,544	95,645	91,101	4,544	866,189	88.96%
OTHER (INCOME) & EXPENSE								
Other Income								
Revenue - Interest Income - Project Operations	(1,946)	(1,833)	(112)	(1,946)	(1,833)	(112)	(22,000)	91.16%
Revenue - Investments - Replacement Reserves	0	(467)	467	0	(467)	467	(5,600)	100.00%
Revenue - Laundry and Vending Revenue	(1,648)	(875)	(773)	(1,648)	(875)	(773)	(10,500)	84.30%
Revenue - Miscellaneous - Buildings	(1,600)	(1,417)	(183)	(1,600)	(1,417)	(183)	(17,000)	90.59%
Total Other Income	(5,194)	(4,592)	(602)	(5,194)	(4,592)	(602)	(55,100)	90.57%
Capital Improvements								
Special Projects	0	3,125	(3,125)	0	3,125	(3,125)	37,500	100.00%
Total Capital Improvements	0	3,125	(3,125)	0	3,125	(3,125)	37,500	100.00%
Debt Service								
Interest on Mortgage Payable	31,000	37,225	(6,225)	31,000	37,225	(6,225)	446,700	93.06%
Depreciation - Buildings	78,850	78,417	433	78,850	78,417	433	941,000	0.91620616
Total Other (Income)/Expense	104,656	114,175	(9,519)	104,656	114,175	(9,519)	1,370,100	92.36%
Net Excess/(Deficit)	(46,722)	(78,242)	31,520	(46,722)	(78,242)	31,520	773,462	108.49%



## **Kavod Senior Life**

### **Fiscal Committee Meeting Minutes from March 17, 2020**

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Members Present: Rob Friedman, Brian Botnick, Steven Summer, Perry Moss, and Connell Saltzman

Staff: Michael Klein, Mike Belieu, and Tracy Kapaun. Guests: Max Reiner and Michael Silverman from Marx Okubo. Zach Jastram, Ksenia Popke, and Peggy Jennings from Eide Bailly.

The meeting was conducted via Zoom and all participants were able to hear the conversation.

Connell called the committee meeting to order at 5 p.m. Max Reiner and Michael Silverman from Marx Okubo joined the call to give an overview of the construction and abatement status. A detailed report from Pinkard Construction and Wade Anderson was included with the monthly package which Mike Belieu sent out.

Max mentioned that Pinkard has all the permits for the West building; and that the South building permit is ready to be picked up but is on hold. Abatement work continued on the residential units until Monday March 16. Orion finished the 9<sup>th</sup> floor and started on the 10<sup>th</sup> floor when work stopped. Wade, Orion and Pinkard are still working closely together to eliminate problems with the abatement process and the need to redo apartments. Currently the West office should be done by third week of April. Max then discussed the work stoppage due to the Covid-19 virus. Kavod, Pinkard, Wade and Marx Okubo met the week of March 13 and agreed to stop any work at Kavod that impacts residents. This work stoppage will last at least thirty days. Mike will work with Marx Okubo, Pinkard and Wade to determine what the financial impact of the work stoppage will be to Kavod. The work will continue in the West office as this area is isolated from residents. Max and Michael left the call after the completion of their report.

Zach, Peggy and Ksenia joined the meeting to give an update on the 2019 audit. Zach let the group know the HUD audits went smooth with no findings. He mentioned the new revenue standards and the additional testing Eide Bailly had to do on Assisted Living and the Food program. Mike mentioned he received a draft of the audits and is in the process of reviewing. Ksenia gave an update for the non-profit audit. Her staff finished fieldwork on March 13. She also said the audits went smoothly with no findings and very few

adjusting entries. The consolidated audit draft should be ready by the middle of April. Peggy, Zach, Ksenia left the call after their report.

Connell asked if there was any questions on the January 2020 financials. The January 2020 monthly financial statements were reviewed. Mike gave a high-level over view of January results. Connell referred to the commentary Mike includes with the notes to explain variances. The group approved the January financial statements with the motion made by Perry and seconded by Rob. Motion passed.

The February 18<sup>th</sup> Fiscal Meeting minutes were reviewed. The group approved the minutes from February meetings with the motion made by Rob and seconded by Perry. Motion passed.

Mike and his staff are working with Yardi to set up the database. Kavod has hired a consulting firm out of Boston to assist with the implementation. The goals is to have software in place by the end of April 2020. The meeting was adjourned at 6:10.

The next meeting is scheduled for April 21, 2020 at 8:00 a.m. via Zoom conference call.

## Notes to February 2020 Financial Statements

*Prepared by Mike Belieu, CFO, Kavod Senior Life*

I have prepared a summary of some key items on the February 2020 statements. These are preliminary numbers and subject to change.

### Cash:

- Operating cash balance as of February 2020 is \$5,021,600, down from \$5,063,000 in January 2020. Please see chart on first page of financial summary. This balance includes reserves invested at Morgan Stanley and the \$1.8 million in cash funded by the MidFirst loan.

### Net Income:

- Through February 2020, net income less capital costs is \$38,047 versus the budgeted net loss of \$370.
- Revenue categories are under budget for the first two months of the year. Occupancy remains slightly lower than budget the first two months.
- G & A and Maintenance expenses are running below budget for February and YTD.

### Revenue:

- Total revenue YTD through February 2020 is \$1,690,913 compared to the budgeted amount of \$1,756,949 a difference of \$66,037 or 3.8 percent.
- Other revenue consists of income from Independent and Assisted Living activities, laundry, cleaning, and interest income. Other revenue came in \$2,212 lower than budget.
- Rental revenue is under budget by \$11,487 through February 2020. The Allied Housing Inc. (AHI) statement includes property management fees in the amount of \$38,796 versus a budget of \$37,792. These fees are paid by the three HUD buildings to AHI on a monthly basis for overall management of the properties. See further explanation under expenses.
- Assisted Living revenue YTD is under budget by \$5,267. For February 2020, there were three market rate units vacant. Kavod currently has two couples in the Assisted Living units which increase monthly revenue.
- Dining revenue is under budget YTD by \$5,202. *There were 34 meal exceptions in February. Please see chart on first page of financial summary.*
- Grant revenue is under budget by \$33,121 through February.
- Contribution revenue is lower than budget by \$8,748 through February 2020. In April, Kavod received a \$25,000 and a \$7,500 contribution to assist with the Covid-19 virus.

### Expenses:

- Total operating expenses for February 2020 were \$1,425,166 compared to the budgeted amount of \$1,515,919 a difference of \$90,754 or 6 percent less than budget.
- Net Operating Income (NOI) came in higher than budget through February at \$265,747 versus the budgeted amount of \$241,030.
- Assisted Living expenses year to date are lower than budget by \$4,970. Labor, marketing and activities are slightly under budget for February and YTD.
- The Operations and Maintenance category is under budget by \$41,973 due to lower labor and Outside Services costs. Most categories are running under budget YTD.

- Food Service costs are over budget by \$269. Food costs are under budget, cook salary costs are over budget to salary adjustments and one time bonuses.
- Program costs are over budget by \$227. This line item is made up of Activities labor and direct costs, IT support labor, Service Coordinator labor and supplies, and grant related activities including Kavod on the Road and religious activities.
- Fundraising costs are under budget by \$1,323. Training and Outreach are under budget in February.
- General and Admin expenses are under \$42,983 through February 2020. Multiple categories are under budget including bonuses that are paid out in March, benefit expenses, employee wellness.
- Property management fees are over budget \$1,004 through February with \$38,796 actual expenses versus a budget of \$37,792. 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 \$13,700 under budget. Consulting costs are under budget by \$3,900. These costs include work on the strategic plan, grant writing, data collection and expenses related to evaluating possible senior housing projects.

**KAVOD SENIOR LIFE**  
**YTD FINANCIAL SUMMARY**  
as of 02/29/2020

Revenues	LPs	AHI	Total YTD 2020	2020 YTD Budget	2020 Budget	% Change from YTD
Rental Income/Property Man Fees	\$ 1,253,957	\$ 38,796	\$ 1,292,753	\$ 1,304,240	\$ 8,029,643	-1%
Food Services	175,264	0	175,264	180,466	1,088,900	-3%
Assisted Living	169,733	0	169,733	175,000	1,073,400	-3%
Grant Income	0	19,479	19,479	52,600	315,600	-63%
*Contributions	0	16,195	16,195	24,943	200,300	-35%
	1,598,954	74,470	1,673,424	1,737,249	10,707,843	-4%
Other Revenue/Interest Income	15,499	1,990	17,489	19,700	118,200	-11%
<b>Total Revenues</b>	<b>1,614,453</b>	<b>76,460</b>	<b>\$ 1,690,913</b>	<b>1,756,949</b>	<b>10,826,043</b>	<b>-4%</b>
<b>Operating Expense</b>						
General & Admin/Other Expenses	355,869	37,200	393,069	436,052	2,436,327	-10%
Operations & Maintenance	349,559	0	349,559	391,532	2,241,769	-11%
**Program Expenses	164,299	56,207	220,506	220,279	1,159,651	0%
Fundraising Costs	0	17,792	17,792	19,116	122,100	-7%
Food Services	280,058	0	280,058	279,789	1,574,030	0%
Assisted Living Program	164,181	0	164,181	169,151	938,358	-3%
<b>Total Operating Expense</b>	<b>1,313,966</b>	<b>111,200</b>	<b>1,425,166</b>	<b>1,515,919</b>	<b>8,472,235</b>	<b>-6%</b>
<b>Net Operating Income</b>	<b>300,487</b>	<b>(34,740)</b>	<b>265,747</b>	<b>241,030</b>	<b>2,353,808</b>	<b>10%</b>
<b>Non-Operating Expense</b>						
Capital/Non Capital Improvements	0	0	0	6,250	37,500	-100%
Depreciation/Amortization	157,700	0	157,700	156,833	941,000	1%
Consultants	0	8,000	8,000	11,900	71,400	-33%
Debt Service	62,000	0	62,000	72,667	436,000	-15%
<b>Total Non-Operating Expense</b>	<b>219,700</b>	<b>8,000</b>	<b>227,700</b>	<b>247,650</b>	<b>1,485,900</b>	<b>-8%</b>
<b>Net Income</b>	<b>\$ 80,787</b>	<b>\$ (42,740)</b>	<b>\$ 38,047</b>	<b>\$ (6,620)</b>	<b>\$ 867,908</b>	<b>-675%</b>
<b>Net Income after Cap Exp Removed</b>	<b>\$ 80,787</b>		<b>\$ 38,047</b>	<b>\$ (370)</b>	<b>\$ 905,408</b>	
<b>DRAFT ONLY-FOR DISCUSSION PURPOSES ONLY</b>						

Monthly Operating Cash Balance	February 20	January 20	December 19	November 19	October-20
Cash on Hand	\$ 5,021,600	\$ 5,063,000	\$ 5,149,000	\$ 5,214,000	5,218,000

Kavod Meal Exceptions	February 20	January 20	December 19	November 19	October-20
Number of Residents	34	37	32	34	34

**Total Special Projects 2020**

	Cost to Date	Total Budget	Variance
South Special Projects	\$ -	\$ -	\$ -
West Special Projects	\$ -	\$ -	\$ -
East Special Projects	\$ -	\$ -	\$ -
<b>Total Special Projects Through February</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Contribution income is made up of Kavod on the Road, Event, and general donation revenue, and one time revenue from 2018

\*\* Program Expenses are made up of Kavod on the Road, grant, care coordinator, resident services, and religious costs.

**Allied Housing, Inc. - Unrestricted Accounts**  
**Profit Loss**  
**February 2020**

	YTD Through February 2020	YTD Budget	Annual Budget	Budget Variance	% of Budget YTD Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
Management Fee Revenue	38,796	37,792	226,750	1,004	
Grant Income	19,479	52,600	315,600	(33,121)	6%
A'la Carte Services	1,990	2,733	16,400	(744)	12%
Donation Income/Special Events	6,853	15,410	143,100	(8,557)	5%
Kavod On The Road	9,325	5,750	34,500	3,575	27%
Kavod Foundation					
Rose Endowment Income		717	4,300	(717)	0%
<b>Shul Income</b>					
Shul Donations	17	333	2,000	(316)	1%
<b>Total Shul Income</b>	<b>17</b>	<b>333</b>	<b>2,000</b>	<b>(316)</b>	<b>1%</b>
<b>Total Income</b>	<b>76,460</b>	<b>115,335</b>	<b>742,650</b>	<b>(38,876)</b>	<b>10%</b>
<b>Expense</b>					
Management Salary and Benefit Expense	37,200	37,792	226,750	(592)	16%
<b>L'Chaim</b>					
Supplies	-	833	5,000	(833)	0%
<b>Total L'Chaim</b>	<b>-</b>	<b>2,517</b>	<b>15,100</b>	<b>-</b>	<b>0%</b>
<b>Kavod On The Road</b>					
Meetings/Classes	463	833	5,000	(370)	9%
Program Expenses	-	2,733	16,400	(2,733)	0%
Payroll	14,006	12,192	63,400	1,814	22%
Mileage	81	333	2,000	(252)	4%
Supplies	6,112	1,600	9,600	4,512	64%
Events	1,666	583	3,500	1,082	48%
Entertainment	-	833	5,000	(833)	0%
Kavod On The Road - Other	2,585	150	900	2,435	287%
<b>Total Kavod On The Road</b>	<b>24,914</b>	<b>19,259</b>	<b>105,800</b>	<b>5,655</b>	<b>24%</b>
A'la Carte Labor	1,636	2,000	12,000	(364)	14%
Grant Expense	11,061	2,274	13,646	8,787	81%
Accounting Services	-	1,367	8,200	(1,367)	
Bank Charges & CC Fees	56	300	1,800	(244)	3%
Chaplain Services	11,220	10,500	63,000	720	18%
Charity & Donations	-	500	3,000	(500)	0%
<b>Consulting Expense</b>					
Strategic Plan/Housing Consulting	-	2,000	12,000	(2,000)	0%
A/L-Financial Software Consulting	-	3,667	22,000	(3,667)	0%
Board Compliance		500	3,000	(500)	
Grant Writing	4,900	4,900	29,400	-	17%
Data/Housing Consultant	3,100	833	5,000	2,267	62%
<b>Total Consulting Expense</b>	<b>8,000</b>	<b>11,900</b>	<b>71,400</b>	<b>(3,900)</b>	<b>11%</b>
<b>Events</b>					
Annual Meeting	3,186	3,500	21,000	(314)	15%
<b>Total Events</b>	<b>3,186</b>	<b>3,500</b>	<b>21,000</b>	<b>(314)</b>	<b>15%</b>

**Allied Housing, Inc. - Unrestricted Accounts**  
**Profit Loss**  
February 2020

	YTD Through February 2020	YTD Budget	Annual Budget	Budget Variance	% of Budget YTD Budget
<b>Fundraising Expense</b>					
Memberships	-	67	400	(67)	0%
Security	-	83	500	(83)	0%
Training	-	583	3,500	(583)	0%
Outreach/Printing	-	2,167	13,000	(2,167)	0%
Entertainment/Space Rental	100	583	3,500	(483)	3%
Fundraising Labor	17,518	15,349	79,815	2,169	22%
Supplies	175	283	1,700	(109)	10%
<b>Total Fundraising Expense</b>	<b>17,792</b>	<b>19,116</b>	<b>102,415</b>	<b>(1,323)</b>	<b>17%</b>
<b>Legal Expense</b>	-	517	3,100	(517)	0%
<b>Mailing &amp; Postage</b>	-	4,167	25,000	(4,167)	0%
<b>Other Religious Services</b>	200	738	4,428	(538)	5%
<b>Shul Books &amp; Religious Supplies</b>	496	203	1,215	294	41%
<b>Tree of Life</b>	1,477	67	400	1,410	0%
<b>Shul Kiddish</b>	-	583	3,500	(583)	0%
<b>Shul Religious Services</b>	505	1,117	6,700	(612)	8%
<b>Shul Religious Classes &amp; Events</b>	1,457	83	500	1,374	291%
<b>Shul - Training</b>	-	583	3,500	(583)	0%
<b>Total Expense</b>	<b>119,200</b>	<b>119,081</b>	<b>692,454</b>	<b>118</b>	<b>17%</b>
<b>Other Income/Expense</b>					
<b>Other Income</b>					
Dividend Income	-	8	100	(8)	0%
<b>Total Other Income</b>	-	8	100	(8)	
<b>Net Other Income/Expense</b>	-	8	100	(300)	0%
<b>Net Income</b>	<b>(42,740)</b>	<b>(3,746)</b>	<b>50,296</b>	<b>(46,486)</b>	<b>-85%</b>

ALLIED HOUSING, INC.  
PRELIMINARY  
YTD Profit and Loss Statement  
For the Month Ending February 29, 2020

	February			Year to Date			Annual	%
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Remain
<b>REVENUE</b>								
Revenue - Rent Income From Apartments - Independent	\$127,447	\$128,819	(\$1,372)	\$257,163	\$261,749	(\$4,586)	\$1,613,804	84.06%
Revenue - Tenant Assistance Payments	497,615	493,626	3,989	996,794	1,004,699	(7,905)	6,189,089	83.89%
Revenue - ALP Program Full Pay Residents	43,905	52,500	(8,595)	100,160	105,000	(4,840)	630,000	84.10%
Revenue - ALP Program Partial Pay Tenants	12,049	12,200	(151)	21,923	22,600	(677)	159,000	86.21%
Revenue - ALP Program Medicaid Contributions	24,491	23,700	791	47,651	47,400	251	284,400	83.25%
Revenue - Food Service/Receipts	80,501	80,667	(166)	158,598	160,317	(1,719)	968,000	83.62%
Revenue - Meal Subsidy	(13,240)	(10,833)	(2,407)	(25,641)	(21,667)	(3,974)	(130,000)	80.28%
Revenue - ALP Supplement	20,608	19,867	741	40,058	39,733	325	238,400	83.20%
Revenue - Meal Delivery, Guest Meals, etc.	949	1,042	(93)	2,249	2,083	166	12,500	82.01%
Total Revenue	794,325	801,586	(7,261)	1,598,955	1,621,914	(22,959)	9,965,193	83.95%
<b>EXPENSE</b>								
General & Administrative								
Property Management Fees	18,896	18,896	0	38,796	37,792	1,004	226,750	82.89%
Salary Allocation to AH	(17,987)	(18,405)	418	(36,388)	(36,891)	503	(225,408)	
Labor - Food Service Manager	5,097	5,158	(61)	12,927	12,895	32	67,053	80.72%
Labor - Leasing	14,525	14,662	(137)	36,119	36,655	(536)	190,605	81.05%
Labor - Front Office Staff	8,759	8,137	623	21,170	20,342	828	105,777	79.99%
Labor - Community Relations/Marketing	10,694	9,766	928	26,240	24,415	1,826	126,957	79.33%
Labor - Accounting/Human Resources/Director	42,512	40,554	1,957	101,329	101,386	(57)	527,208	80.78%
Labor - Potential Bonus	0	8,330	(8,330)	0	8,330	(8,330)	65,001	100.00%
Labor - Payroll Taxes	5,946	5,628	318	14,799	14,070	730	73,162	79.77%
Labor - Payroll Taxes - FS Admin	431	395	36	1,080	988	92	5,135	78.98%
Labor - Workers Comp Expense	183	362	(178)	435	803	(368)	4,500	90.33%
Labor - Workers Comp Expense - FS Admin	138	158	(20)	345	316	30	1,894	81.76%
Labor - Employee Benefits	12,399	18,383	(5,983)	23,650	39,425	(15,775)	214,590	88.98%
Labor - Employee Benefits - FS Admin	1,144	1,111	34	2,459	2,221	238	13,326	81.55%
Labor - Help Wanted Advertising	299	208	91	299	417	(118)	2,501	88.04%
Labor - Screening/Background Checks	558	208	349	558	417	141	2,501	77.71%
Labor - Training and Development	773	3,417	(2,644)	3,536	6,833	(3,298)	41,000	91.38%
Employee Recognition	526	3,167	(2,641)	5,200	6,333	(1,134)	38,000	86.32%
Employee Wellness	150	917	(767)	350	1,833	(1,483)	11,000	96.82%
Marketing - Ad Placement, Brochures, etc.	0	2,250	(2,250)	1,610	4,500	(2,890)	27,000	94.04%
Marketing - Community Outreach/Open House	459	3,170	(2,711)	2,008	6,340	(4,332)	38,041	94.72%
Board Development	360	542	(182)	1,334	1,083	250	6,500	79.48%
Bank Charges	43	83	(41)	131	167	(36)	1,000	86.89%
Mileage Reimbursements	108	208	(101)	524	417	107	2,501	79.05%
Supplies/Postage/FedEx	3,818	5,583	(1,765)	9,022	11,167	(2,145)	67,000	86.53%
Telephone/Answering/DSL	2,581	2,833	(252)	4,914	5,667	(753)	34,001	85.55%
Outside Services & Labor	6,762	3,583	3,179	11,645	7,167	4,478	43,000	72.92%
Dues and Subscriptions	2,062	3,167	(1,105)	9,667	6,333	3,333	38,000	74.56%
License Expense	0	1,212	(1,212)	250	2,425	(2,175)	14,549	98.28%
Accounting & Audit Expense	2,594	3,750	(1,156)	2,594	7,500	(4,906)	45,001	94.24%
Legal Expense	2,459	1,000	1,459	2,459	2,000	459	12,000	79.51%
Other Renting Expense	354	1,458	(1,104)	807	2,917	(2,109)	17,500	95.39%
Hardware - CIS	1,171	1,917	(745)	2,039	3,833	(1,794)	23,000	91.13%
Software - CIS	1,045	1,583	(538)	1,045	3,167	(2,122)	19,000	94.50%
Support, Repairs & Maintenance - CIS	3,153	4,750	(1,677)	7,583	9,500	(1,778)	57,000	86.70%
Property & Liability Insurance	22,667	22,744	(78)	45,333	45,489	(155)	272,932	83.39%
Total General & Administrative	154,679	180,885	(26,286)	355,869	398,252	(42,243)	2,209,577	83.89%
Food Service								
Labor - Hourly Cooks	26,070	23,885	2,186	70,043	59,712	10,332	310,500	77.44%
Labor - Hourly Servers	17,020	19,326	(2,306)	42,929	48,316	(5,387)	251,241	82.91%
Labor - Assistant Manager	8,075	7,641	435	21,694	19,102	2,592	99,329	78.16%
Labor - Catering	1,551	1,492	59	1,551	2,983	(1,433)	17,900	91.34%
Labor - Special Staffing	625	667	(42)	625	1,333	(708)	8,000	92.19%
Labor - Outside Services Labor Expense	5,716	2,083	3,633	5,880	4,167	1,713	25,000	76.48%
Labor - Payroll Taxes	4,463	4,600	(137)	11,621	9,200	2,421	55,200	78.95%
Labor - Workers Comp Expense	1,535	2,367	(832)	3,995	4,733	(738)	28,400	85.93%
Labor - Employee Benefits	7,850	8,750	(900)	18,000	17,500	(125)	105,000	83.45%
Food & Beverage Expense	45,969	46,910	(1,566)	87,681	97,320	(9,639)	580,920	84.91%
Food Paper Products Expense	3,977	4,420	(443)	6,232	8,840	(2,608)	53,040	88.25%
Cleaning Supplies & Service Expense	585	667	(82)	1,326	1,333	(7)	8,000	83.42%
Laundry & Linen Expense	1,131	750	381	1,997	1,500	497	9,000	77.81%
Equipment Expense	1,859	1,250	609	2,058	2,500	(442)	15,000	86.28%



ALLIED HOUSING, INC.  
PRELIMINARY  
YTD Profit and Loss Statement  
For the Month Ending February 29, 2020

	February			Year to Date			Annual Budget	% Remain
	Actual	Budget	Variance	Actual	Budget	Variance		
Uniforms Expense	1,478	625	853	4,426	1,250	3,176	7,500	40.99%
Total Food Service	127,904	125,432	2,472	280,058	279,789	269	1,574,030	82.21%
Assisted Living Program								
Labor - Manager	5,843	5,401	442	13,958	13,651	307	75,632	81.55%
Labor - Care Givers, CC & Aides	30,117	32,328	(2,211)	77,946	80,821	(2,875)	420,269	81.45%
Labor - Payroll Taxes	3,124	2,810	314	7,970	7,026	944	36,533	78.18%
Labor - Workers Comp Expense	1,607	1,938	(331)	5,282	3,875	1,407	23,250	77.28%
Labor - Employee Benefits	6,325	7,610	(1,285)	14,262	15,221	(958)	91,324	84.38%
Labor - Medical Required Testing	307	142	165	307	283	24	1,700	81.94%
Dietary Supplies	20,608	19,867	741	40,058	39,733	325	238,400	83.20%
Medication Set-ups	59	88	(29)	308	175	133	1,050	70.66%
Other ALP expenses	0	125	(125)	65	250	(185)	1,500	95.70%
A/L Marketing		892	(892)		1,783	(1,783)	10,700	
Recreation & Rehabilitation	2,064	3,167	(1,103)	4,025	6,333	(2,308)	38,000	89.41%
Total Assisted Living Program	70,054	74,368	(4,314)	164,181	169,151	(4,969)	938,358	82.30%
Operations & Maintenance								
Labor - Housekeeping Supervisor	4,764	4,685	80	12,044	11,711	332	60,899	80.22%
Labor - Housekeeping Staff	11,426	11,510	(84)	29,693	28,776	917	149,634	80.16%
Labor - Maintenance Manager/Director	18,815	15,196	3,619	46,024	37,989	8,035	197,543	76.70%
Labor - Maintenance Staff	12,316	12,639	(322)	29,020	31,596	(2,576)	164,301	82.34%
Labor - Protection (Security)	6,065	5,985	81	13,496	14,962	(1,466)	77,800	82.65%
Labor - Payroll Taxes	4,403	3,698	705	10,770	9,246	1,525	48,078	77.60%
Labor - Workers Comp Expense	1,339	1,357	(17)	3,247	2,713	533	16,279	80.06%
Labor - Employee Benefits	12,156	10,261	1,895	18,892	20,522	(1,629)	123,129	84.66%
Labor - Temporary	6,169	1,500	4,669	9,198	3,000	6,198	18,000	48.90%
Outside Services - Cleaning	669	6,833	(6,164)	2,767	13,667	(10,900)	82,000	96.63%
Outside Services - Exterminating	650	2,583	(1,933)	7,350	5,167	2,183	31,000	76.29%
Outside Services - Grounds	0	2,083	(2,083)	0	4,167	(4,167)	25,001	100.00%
Outside Services - Repairs	28,419	39,583	(11,164)	67,872	79,167	(11,295)	475,001	85.71%
Outside Services - Elevator Maintenance	2,870	3,917	(1,046)	5,369	7,833	(2,464)	47,000	88.58%
Outside Services - Snow Removal	450	1,250	(800)	450	2,500	(2,050)	15,001	97.00%
Outside Services - Garbage and Trash Removal	4,536	4,250	286	9,199	8,500	699	51,000	81.96%
Outside Services - Life Safety & Security	0	3,500	(3,500)	819	7,000	(6,181)	42,000	98.05%
License & Permit Expense	0	258	(258)	0	517	(517)	3,099	100.00%
Maintenance Supplies	14,423	20,833	(6,410)	26,601	41,667	(15,066)	250,000	89.36%
Decorating Expense - Common Area	117	142	(25)	211	283	(73)	1,700	87.60%
Utilities - Electric	13,454	15,000	(1,546)	25,802	30,000	(4,198)	180,000	85.67%
Utilities - Water	2,961	3,833	(873)	5,725	7,667	(1,942)	45,999	87.56%
Utilities - Gas	6,535	5,917	618	13,719	11,833	1,886	71,000	80.68%
Utilities - Sewer	5,409	5,500	(92)	9,877	11,001	(1,124)	66,005	85.04%
Mileage Reimbursement	1,381	25	1,356	1,415	50	1,365	300	-371.67%
Total Operations & Maintenance	159,327	182,338	(23,011)	349,559	391,532	(41,973)	2,241,769	84.41%
Total Expenses	511,964	563,023	(51,139)	1,149,667	1,238,724	(88,916)	6,963,734	83.48%
Operating Excess/(Deficit)	282,361	238,563	43,878	449,288	383,190	65,957	3,001,459	85.19%
OTHER ELDER CARE INCOME & (EXPENSE)								
Activities Program								
Activities Revenue - Resident Receipts	(1,395)	(1,917)	522	(2,470)	(3,833)	1,363	(23,000)	89.26%
Activities Revenue - ALP Receipts	(2,064)	(3,333)	1,270	(4,025)	(6,667)	2,642	(40,000)	89.94%
Activities Revenue - Donations	0	(8)	8	0	(17)	17	(100)	100.00%
Assisted Living Activities Expense	2,064	3,333	(1,270)	4,025	6,667	(2,642)	40,000	89.94%
Newsletter expense	1,310	2,083	(773)	1,415	4,167	(2,752)	25,001	94.34%
Activities Outreach/ Food	520	1,583	(1,064)	994	3,167	(2,172)	19,000	94.77%
Classes Expense	644	933	(289)	1,539	1,867	(328)	11,199	86.26%
Health & Wellness Expense	1,868	2,915	(1,047)	3,478	5,830	(2,352)	34,980	90.06%
Outings Expense	3,355	5,417	(2,061)	8,209	10,834	(2,625)	65,001	87.37%
Family Events	0	308	(308)	0	617	(617)	3,700	100.00%
Total Core Program (Inc)/Exp	6,302	11,315	(5,013)	13,165	22,630	(9,465)	135,781	90.30%
Labor - Activities Staff	12,118	15,671	(3,554)	31,461	39,179	(7,717)	203,729	84.56%
Labor - Payroll Taxes	946	1,206	(260)	2,686	3,015	(329)	15,677	82.87%
Labor - Workers Comp	317	462	(145)	869	923	(54)	5,540	84.31%
Labor - Employee Benefits	4,174	4,183	(9)	8,849	8,366	484	50,194	82.37%
Van Expense	254	1,083	(829)	664	2,167	(1,503)	13,000	94.89%
Net Gift Shop Activity	156	100	56	99	200	(101)	1,202	91.73%
Net Library Activity	0	29	(29)	0	58	(58)	350	100.00%
Total Other Program Expense	17,964	22,735	(4,770)	44,629	53,908	(9,278)	289,692	84.59%

ALLIED HOUSING, INC.  
PRELIMINARY  
YTD Profit and Loss Statement  
For the Month Ending February 29, 2020

	February			Year to Date			Annual Budget	% Remain
	Actual	Budget	Variance	Actual	Budget	Variance		
Total Activities Program (Inc)/Exp	24,266	34,050	(9,783)	57,795	76,538	(18,743)	425,473	86.42%
Resident Computer Center								
RCC - Wages - RCC Staff	4,539	4,477	63	12,215	11,191	1,024	58,195	79.01%
RCC - Payroll Taxes	376	388	(11)	1,074	861	213	4,825	77.74%
RCC - Workers Comp Expense	138	173	(35)	370	347	24	2,079	82.19%
RCC - Employee Benefits	2,945	1,267	1,678	5,103	2,533	2,570	15,200	66.43%
Total RCC Expense	7,998	6,304	1,694	18,762	14,932	3,830	80,299	76.63%
Service Coordinator Program								
Labor - Service Coordinator	22,292	22,131	161	62,556	55,328	7,227	287,708	78.26%
Labor - Payroll Taxes	1,717	1,749	(32)	5,658	4,372	1,285	22,736	75.12%
Labor - Workers Comp Expense	509	547	(38)	1,556	1,094	462	6,561	76.29%
Labor - Employee Benefits	5,377	3,243	2,134	11,428	6,485	4,943	38,912	70.63%
Activities Outreach	0	375	(375)	50	750	(700)	4,500	98.89%
Total Service Coordinator (Inc)/Exp	29,895	28,045	1,850	81,247	68,030	13,218	360,417	77.46%
Total Other Elder Care (Inc)/Exp	62,159	68,399	(6,240)	157,804	159,500	(1,696)	866,189	81.78%
OTHER (INCOME) & EXPENSE								
Other Income								
Revenue - Interest Income - Project Operations	(1,290)	(1,833)	543	(3,235)	(3,667)	431	(22,000)	85.29%
Revenue - Investments - Replacement Reserves	0	(467)	467	0	(933)	933	(5,600)	100.00%
Revenue - Laundry and Vending Revenue	(921)	(875)	(46)	(2,569)	(1,750)	(819)	(10,500)	75.53%
Revenue - Miscellaneous - Buildings	(1,600)	(1,417)	(183)	(3,200)	(2,833)	(367)	(17,000)	81.18%
Total Other Income	(3,811)	(4,592)	781	(9,004)	(9,183)	179	(55,100)	83.66%
Capital Improvements								
Special Projects	0	3,125	(3,125)	0	6,250	(6,250)	37,500	100.00%
Total Capital Improvements	0	3,125	(3,125)	0	6,250	(6,250)	37,500	100.00%
Debt Service								
Interest on Mortgage Payable	31,000	36,333	(5,333)	62,000	72,667	(10,667)	436,000	85.78%
Depreciation - Buildings	78,850	78,417	433	157,700	156,833	867	941,000	0.83241231
Total Other (Income)/Expense	106,039	114,175	(8,136)	210,696	228,350	(17,654)	1,370,100	84.62%
Net Excess/(Deficit)	114,164	56,882	57,281	80,651	(2,874)	84,008	775,870	91.96%



April 17, 2020

## KAVOD SENIOR LIFE (KSL) FISCAL COMMITTEE CONSTRUCTION UPDATE:

### Current Construction:

- **The West Office and Laundry room are substantially complete as of April 15, 2020.**
- The final Fire Department inspections for the Laundry room are anticipated on April 23, with a Certificate of Occupancy for the Laundry room anticipated on April 24, 2020, assuming the Laundry room passes the Denver Fire Department inspection. **The Laundry room could be available for use by Kavod residents as early as April 27, 2020.**
- The West Office Temporary Certificate of Occupancy (TCO) will not be issued until the new fire alarm and sprinkler can be connected to the fire-pump and tied in through the most complete level, which is currently Level 7. Completion of this work is currently on hold, and will take approximately five to six weeks to complete, once Pinkard is given approval to resume in common areas and the required electrical equipment is delivered to the site. **The earliest estimated date for the Office TCO is July, which may extend into August 2020.**
- Fire-pump equipment has been ordered, and installation should begin in the beginning of May 2020
- Limited construction in the East Building Bistro, basement and exterior electrical work, and the basement employee restroom will resume the week of April 20, 2020.
- **There is enough work for Pinkard to continue through to the end of June 2020.**

### Impact of Temporary Work Stoppage:

- Kavod Staff has reached out to Lawyer, Paul Frankie, who reviewed the KSL/Pinkard (PCC) contract. Preliminary feedback indicates that Pinkard could claim Force Majeure Delays.
- Pinkard has provided a written notice of Force Majeure delays.
- Kavod and Pinkard are in conversations related to potential damages.
- Per the KSL/PCC contract, Pinkard can continue to charge General Conditions at approximately \$40,000, per month, due to the delay.
- Per the KSL/PCC contract, Kavod could terminate the contract for convenience.

In lieu of delay claims, or terminating the contract at this time, Pinkard and Kavod are working on ways to continue construction activities, such as the West Building Laundry room, and the East Building Bistro, etc. However, additional General Conditions will likely arise later in the project due to the delayed schedule.


In order to try and limit the exposure of costs, Pinkard are exploring alternative schedules, which include overlapping construction sequences with the East and South Buildings. There may be increased labor costs; however, the schedule delays may be eliminated, thereby leading to some possible savings in the General Conditions.

Kavod and Marx|Okubo will confer with Pinkard to see if they would be willing to use Contractor Contingency to pay for some of these delay costs.

- Marx|Okubo Owners Representatives services will be extended for the duration of the project. Average billings are \$10,000 to \$11,000 per month, with a slight decrease in monthly fees expected during the COVID-19 pandemic temporary stoppage. A potential change order to cover additional services due to an extended duration are possible, and will be negotiated at the appropriate time.

#### **Construction Budget:**

For work completed through March 31, 2020, Pinkard has billed \$2,370,282, with \$6,805,420 remaining on the contract. Hard Costs are approximately 26% complete, as of the current Application for Payment No. 6.

	Bar Chart View	Job #: 00001	Rev. date: 4/17/2020 11:27:06 AM	Capitol Improvements
	Filter: None	Data Date: 4/17/2020	Page 1 of 13	Kavod Senior Life



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221	All In wall inspections	1d	5/22/2020	5/22/2020																																											
222	Framing Inspection	1d	5/26/2020	5/26/2020																																											
223	Drywall	1d	5/27/2020	5/27/2020																																											
224	Drywall Tape and Finish	3d	5/28/2020	6/1/2020																																											
225	Prime First Coat Paint	1d	6/2/2020	6/2/2020																																											
226	Tile floors and Walls	3d	6/3/2020	6/5/2020																																											
227	Millwork Vanities/ Bench Top	1d	6/8/2020	6/8/2020																																											
228	Plumbing Fixtures/sump Pump	3d	6/9/2020	6/11/2020																																											
229	HVAC Trim	1d	6/12/2020	6/12/2020																																											
230	Electrical trim	1d	6/15/2020	6/15/2020																																											
231	Bathroom Accessories/Partitions	2d	6/16/2020	6/17/2020																																											
232	Final Paint	1d	6/18/2020	6/18/2020																																											
233	Partial Final Inspections	1d	6/18/2020	6/18/2020																																											
234	Punchlist	3d	6/19/2020	6/23/2020																																											
235	Restroom complete	1d	6/24/2020	6/24/2020																																											
236	East Building Units	194d	5/4/2020	2/5/2021																																											
237	Measure Unit showers	1d	5/4/2020	5/4/2020																																											
238	Fab and deliver shower inserts	40d	5/5/2020	6/30/2020																																											
239	Layout Fire Sprinkler/ Fire Alarm	20d	5/5/2020	6/2/2020																																											
240	Field Measure windows	20d	5/5/2020	6/2/2020																																											
241	Install 50 shower inserts	1d	7/14/2020	7/14/2020																																											
242	1st Floor Units	5d	7/14/2020	7/20/2020																																											
243	4 units 101 - 105	5d	7/14/2020	7/20/2020																																											
244	Sprinkler Piping	5d	7/14/2020	7/20/2020																																											

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245	<div></div> <div></div> <div></div> <div></div>	Shower Valves	5d	7/14/2020	7/20/2020																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															







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 construction costs \$ 12,116,992

Total Loan proceeds advanced to Kavod \$ 3,915,992

### Current Active Projects

#### Project Oversight

	Total Budget	Revised Budget	Spent Complete	Percentage Complete	Work Complete	Available Budget	Total Spent	Supervising Entity
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Marx Okubo 1st Invoice	\$ (25,886)	\$ 511,331	63%	58%	58%	\$ 188,946	\$ (322,385)	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)							
Marx Okubo 12th Invoice	\$ (11,974)							
Marx Okubo 13th Invoice	\$ (10,760)							
Marx Okubo 14th Invoice	\$ (14,291)							
Marx Okubo 15th Invoice	\$ (28,869)							
Marx Okubo 16th Invoice	\$ (14,581)							
Marx Okubo 17th Invoice	\$ (18,374)							
Marx Okubo 18th Invoice	\$ (6,871)							
Marx Okubo 19th Invoice	\$ (14,296)							
Marx Okubo 20th Invoice	\$ (11,292)							
Marx Okubo 21th Invoice	\$ (11,149)							
Marx Okubo 22th Invoice	\$ (14,080)							
Marx Okubo 23rd Invoice	\$ (10,875)							
<b>Marx Okubo 24th Invoice</b>	<b>\$ (9,778)</b>							

This invoice includes fire suppression consulting work.

This invoice includes MEP engineering work for the Fire Department Permits.

Fire/Sprinkler Consulting	\$ (5,496)	\$ 36,500	\$ 52,000	100%	100%	\$ 2,325	\$ (49,675)	Kavod
Jensen Hughes	\$ (10,220)							
Jensen Hughes	\$ (17,134)							
<b>Jensen Hughes</b>	<b>\$ (16,825)</b>							

**Project Complete**

<b>Asbestos Abatement</b>									
W.E Anderson	\$ (10,154)	\$	408,000	65%	46%	\$	140,991	\$	(267,009) Kavod
W.E Anderson	\$ (42,400)								
W.E Anderson	\$ (42,377)								
W.E Anderson	\$ (4,917)								
W.E Anderson	\$ (37,566)								
W.E Anderson	\$ (64,498)								
<b>W.E Anderson</b>	<b>\$ (65,098)</b>								
<b>Attorney Fees for Asbestos Abatement</b>									
Gablehouse Granberg	\$ (3,888)	\$	5,000	90%	75%	\$	3,104	\$	(11,896) Kavod
Gablehouse Granberg	\$ (2,926)								
Gablehouse Granberg	\$ (963)								
Gablehouse Granberg	\$ (1,810)								
Gablehouse Granberg	\$ (1,386)								
<b>Gablehouse Granberg</b>	<b>\$ (924)</b>								
<b>Architectural Fees</b>									
Hord Coplan Macht, Inc-May	\$ (13,144)	\$	65,208	89%	100%	\$	7,377	\$	(57,831) 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)								
Hord Coplan Macht, Inc-June	\$ (4,680)								
Hord Coplan Macht, Inc-October	\$ (2,026)								
Hord Coplan Macht, Inc-November/Dec	\$ (3,292)								
<b>Hord Coplan Macht, Inc-November/Dec</b>	<b>\$ (1,646)</b>								
<b>West Building Rise Project</b>									
Bram Construction(Abatement)	\$ (16,363)	\$	120,000	100%	100%	\$	(7,727)	\$	(127,727) Kavod
PasterKamp Heating and Air	\$ (48,000)								
Bram Construction(Abatement)	\$ (16,363)								
PasterKamp Heating and Air	\$ (47,000)								
<b>Chiller Replacement</b>									
Johnson Controls	\$ (1,625)	\$	375,000	51%	100%	\$	199,625	\$	(175,375) Kavod
Johnson Controls	\$ (12,500)								
Johnson Controls	\$ (73,375)								
Johnson Controls	\$ (16,379)								
Johnson Controls	\$ (50,240)								
Johnson Controls	\$ (375)								
Johnson Controls	\$ (13,875)								
Johnson Controls	\$ (7,006)								
<b>Unit Mockups/Construction Management</b>									
Pinkard	\$ (16,199)	\$	8,892,495	25%	15%	\$	6,652,113	\$	(2,261,802) Kavod
Trane US	\$ (2,842)								
Pinkard	\$ (44,535)								
December 2019-Pinkard Draw #1	\$ (282,918)								
January 2020-Pinkard Draw #2	\$ (511,070)								
February 2020-Pinkard Draw #3	\$ (575,428)								
<b>February 2020-Pinkard Draw #4</b>	<b>\$ (828,810)</b>								
<b>Domestic Hot Water</b>									
Climate Engineering	\$ (18,870)	\$	20,000	100%	100%	\$	1,130	\$	(18,870) Kavod
<b>West Roof and East circle railings</b>									
First Choice Fabrication	\$ (5,992)	\$	32,000	100%	100%	\$	5,855	\$	(26,145) Kavod
Larry's Mobile Welding	\$ (5,981)								

**Committed Projects- payment for material only as of April 2020**

### Interest on MidFirst Loan

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

Kavod Senior Housing and Service's Board

April 2, 2020

Via Zoom call

Present: Michael Cohen, Steven Siegel, Fran Stern, Joan Beldock and Deanie Anderson. Staff: Michael Klein and Mike Belieu.

Michael Cohen called the meeting to order and verified that everyone could hear one another. Previous minutes were reviewed and as there were no corrections, the Board accepted them as written. Michael Cohen did ask staff that one of the items to follow up from the previous meeting was an explanation of how the legal entities were structured. Michael said he had inadvertently not followed up on this and staff would do this at the next meeting.

Michael Klein then reviewed our current situation with the COVID-19 virus. He went through the many steps the staff had implemented. While not inclusive, the highlights were limiting access to the building from nearly all visitors by increasing staffing at the three main doors, closing the dining room and delivering meals to the apartments, temporarily eliminating van trips and any group programs, increasing the cleaning of common areas, removing extra chairs and seating, and significant notifications to residents and their families as well as Kavod staff. Non-essential Kavod staff have been working from home as well as filling in as necessary for new tasks which need to be done.

Mike Belieu also discussed additional equipment and supplies we have purchased as well as the backlog in securing some of these items.

Mike then gave an update on our audit and explained that we had a very good audit with no findings. It is the second year that Eide Bailey has done it and the process went much smoother as Kavod staff was able to provide the necessary information earlier and the auditors were able to also process it quicker.

With no additional items to discuss the meeting was adjourned.

## Resident and Community Services Committee

April 2, 2020

Zoom Conference call

Present: Molly Zwerdinger, chair, Jamie Sarche, Denise Lutz, Jan Schorr, Doug Krug, Jay Mactas, and Ondalee Kline. Staff: Michael Klein, Jennifer Grant and Tracy Kapaun.

Molly welcomed everyone via ZOOM and everyone was able to hear what was being discussed. Molly asked for approval of the previous minutes and there were no changes suggested so the committee approved them as sent out.

The one item on the agenda was a staff update on the Covid-19 virus. Michael gave an overview on the various steps that had been put in place. As we have received on-going updates from CDC, the State and the city, we have been adjusting to the various new requirements. Jennifer explained what she has been doing for the residents who are part of the assisted living program. These include closing down the Gathering Room and the Dining Room. All meals are brought to the apartments. Daily temperatures of the residents are being taken and she reviewed many other changes that have been communicated to the residents and their families. Families are not allowed to visit unless for significant medical situations. Jennifer in particular has been following guidelines directed through the Denver Department of Public Health and Environment as DDPHE has direct oversight for nursing homes and assisted living facilities.

Tracy then explained what is being done for the independent senior living residents. She also reviewed what has been done and communicated to these residents and their family members. Changes have been made in intensifying cleaning routines in common areas, limited access by family members and deliveries into the building, increased monitoring at our three entrances, closing of the dining room and delivery of meals to the apartments, and cancellation of all van trips and group classes within the building. Non-essential staff are working from home and staff temperatures are taken before they can start work. To date, we have not had a Covid-19 case.

Michael talked about the community support. We have received significant food, supply and monetary donations. We have received grants from Rose Community Foundation and JEWISHcolorado. We have posted signs to inform residents as well as using our ONE Command system and written letters/emails in English and Russian. Most residents have been compliant and we are trying to add tele-mental health services as the social isolation has been impacting some of our residents. He also reviewed how we are working to access necessary supplies and many are unavailable or in insufficient quantities.

Denise and Ondalee thanked the staff and Board for the processes and services that have been put into place. Molly thanked the staff for their hard work and dedication. Michael also expressed his thanks to the Board for all they have done. He explained that the Leadership group meets daily and adjusts how we are addressing new situations as well as strengthening what has already been put in place.

With no further items to discuss, the meeting was adjourned at approximately 12:45.



April 27, 2020

To the board of Directors  
Allied Housing, Inc. and Affiliates  
d/b/a/ Kavod Senior Life  
Denver, Colorado

We have audited the financial statements of Allied Housing, Inc., Allied Housing South Inc., and Allied Jewish Apartments Foundation (collectively referred to as AHI) as of and for the years ended December 31, 2019 and 2018, and have issued our report thereon dated April 27, 2020. Professional standards require that we advise you of the following matters relating to our audit.

#### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our letter dated January 2, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of AHI solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

#### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

#### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by AHI is included in Note 1 to the financial statements.

As described in Note 1, AHI changed its accounting policy related to the presentation of the statement of cash flows by adopting the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*.

Additionally, AHI has changed its accounting policy related to the presentation of the financial statements by adopting the provisions of FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, and FASB Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of and for the year ended December 31, 2019 using the modified retrospective approach.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No significant estimates were identified.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting AHI's financial statements relate to:

- Disclosure of liquidity and availability of resources (Note 2)
- Reference to current financial market volatility (Note 3)
- Reference to Paycheck Protection Program loan (Note 5)
- Donor restricted net assets (Note 7)
- Reference to impact by coronavirus pandemic (Note 11)

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.



## **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

There were no correct or uncorrected misstatements that we identified as a result of our audit procedures.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

## **Representations Requested from Management**

We have requested certain written representations from management that are included in the management representation letter dated April 27, 2020.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with AHI, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as AHI's auditors.

The consolidated financial statements include the financial statements of Allied Housing, Inc. and Allied Jewish Apartments Foundation which we considered to be significant components of the consolidated financial statements. Consistent with the audit of the consolidated financial statements as a whole, our audit included obtaining an understanding of these entities and their environment, including internal control, sufficient to assess the risks of material misstatement of the consolidated financial statements of AHI and completion of further audit procedures.

The consolidated financial statements also include Allied Housing South, Inc. which for the purpose of our audit, we do not consider to be significant components of the consolidated financial statements. Consistent with the audit of the consolidated financial statements as a whole, our audit included obtaining an understanding of above entities and their environment, including internal control, sufficient to assess the risks of material misstatement of the consolidated financial statements of AHI and completion of further audit procedures.

Also presented in the consolidated financial statements are the operations of Allied Housing East, LLLP, Allied Housing West, LLLP and Allied Housing South, LLLP.

\*\*\*\*\*

This report is intended solely for the information and use of the Board of Directors, and management of Allied Housing, Allied Housing South, Inc., and Allied Jewish Apartments Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Denver, Colorado



Financial Statements

December 31, 2019 and 2018

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

Independent Auditor's Report .....	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position .....	3
Consolidated Statement of Activities .....	4
Consolidated Statement of Functional Expenses .....	6
Consolidated Statements of Cash Flows.....	8
Notes to Consolidated Financial Statements.....	9
Independent Auditor's Report on Supplementary Information .....	24
Supplementary Information	
Consolidating Schedule of Financial Position .....	25
Consolidating Schedule of Activities .....	26



## 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 statements of financial position as of December 31, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years 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, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Change in Accounting Principle**

As discussed in Note 10 to the financial statements, Allied Housing, Inc. and Affiliates d/b/a Kavod Senior Life has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. Accordingly, 2018 statement of cash flows has been restated to adopt this standard. Our opinion is not modified with respect to this matter.

Denver, Colorado  
April 27, 2020

Allied Housing, Inc. and Affiliates  
d/b/a Kavod Senior Life  
Consolidated Statements of Financial Position  
December 31, 2019 and 2018

	2019	2018
<b>Assets</b>		
Cash and cash equivalents	\$ 7,841,165	\$ 5,648,173
Accounts receivable	41,109	26,066
Promises to give	41,600	80,400
Investment portfolio	8,138,575	8,002,296
Tenant security deposits	158,186	150,957
Prepaid expenses and other assets	231,430	276,203
Beneficial interest in assets held by Rose Community Foundation	83,312	76,866
Property and equipment, net	10,110,551	9,989,149
Total assets	<u>\$ 26,645,928</u>	<u>\$ 24,250,110</u>
<b>Liabilities</b>		
Accounts payable	\$ 604,443	\$ 230,272
Accrued expenses	241,912	224,456
Tenant security deposits payable	150,755	142,549
Note payable, net of debt issuance costs	8,875,543	8,863,097
Total liabilities	<u>9,872,653</u>	<u>9,460,374</u>
<b>Net assets</b>		
Without donor restrictions		
Discretionary	1,663,806	1,742,950
Board-designated for improvements	5,974,434	4,958,483
Partner's equity	7,536,446	6,740,368
Invested in property and equipment, net of related debt	1,235,008	1,126,052
Total net assets without donor restrictions	16,409,694	14,567,853
With donor restrictions	363,581	221,883
Total net assets	<u>16,773,275</u>	<u>14,789,736</u>
Total liabilities and net assets	<u>\$ 26,645,928</u>	<u>\$ 24,250,110</u>

Allied Housing, Inc. and Affiliates  
d/b/a Kavod Senior Life  
Consolidated Statement of Activities  
Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Net tenant rent revenue	\$ 1,607,203	\$ -	\$ 1,607,203
Tenant assistance payments	6,085,827	-	6,085,827
Food service revenue	1,058,248	-	1,058,248
Assisted living services	1,059,930	-	1,059,930
Other elderly care income	14,085	-	14,085
Contributions	229,764	256,638	486,402
Net investment return	1,095,676	-	1,095,676
Other income	66,403	-	66,403
Distributions from and change in value of beneficial interest in assets held by Rose Community Foundation	4,139	6,446	10,585
Net assets released from restrictions	121,386	(121,386)	-
Total support and revenue	<u>11,342,661</u>	<u>141,698</u>	<u>11,484,359</u>
Expenses			
Program service	7,157,998	-	7,157,998
Assisted living service	855,591	-	855,591
Management and general	1,297,572	-	1,297,572
Fundraising	189,659	-	189,659
Total expenses	<u>9,500,820</u>	<u>-</u>	<u>9,500,820</u>
Change in Net Assets	1,841,841	141,698	1,983,539
Net assets, Beginning of Year	14,567,853	221,883	14,789,736
Net Assets, End of Year	<u>\$ 16,409,694</u>	<u>\$ 363,581</u>	<u>\$ 16,773,275</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	224,738	254,025	478,763
Net investment return	(402,291)	-	(402,291)
Other income	87,426	-	87,426
Distributions from and change in value of beneficial interest in assets held by Rose Community Foundation	4,170	(10,344)	(6,174)
Net assets released from restrictions	115,155	(115,155)	-
Total support and revenue	<u>9,446,869</u>	<u>128,526</u>	<u>9,575,395</u>
Expenses			
Program service	7,651,889	-	7,651,889
Management and general	1,267,869	-	1,267,869
Fundraising	192,669	-	192,669
Total expenses	<u>9,112,427</u>	<u>-</u>	<u>9,112,427</u>
Change in Net Assets	334,442	128,526	462,968
Net assets, Beginning of Year	14,233,411	93,357	14,326,768
Net Assets, End of Year	<u>\$ 14,567,853</u>	<u>\$ 221,883</u>	<u>\$ 14,789,736</u>

Allied Housing, Inc. and Affiliates  
d/b/a Kavod Senior Life  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2019

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	Program Services	Assisted Living	Management and General	Fundraising	Total
Salaries, taxes, and benefits	\$3,289,877	\$583,935	\$561,762	\$133,813	\$ 4,569,387
Building maintenance	1,357,893	-	42,214	7,036	1,407,143
Depreciation	961,879	-	29,903	4,984	996,766
Food service	676,896	220,995	-	-	897,891
Interest	364,235	-	11,323	1,887	377,445
Office costs	52,021	9,180	289,314	15,300	365,815
Insurance	251,377	-	7,815	1,302	260,494
Professional services	15,323	-	201,343	20,700	237,366
Tenant activities	167,659	38,699	-	-	206,358
Information technology	15,767	2,782	69,562	4,637	92,748
Advertising and promotion	5,071	-	45,639	-	50,710
Staff training and development	-	-	38,697	-	38,697
	<u>\$ 7,157,998</u>	<u>\$ 855,591</u>	<u>\$ 1,297,572</u>	<u>\$ 189,659</u>	<u>\$ 9,500,820</u>

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

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	Program Services	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
Interest	382,334	11,845	1,974	396,153
Office costs	59,955	293,751	14,989	368,695
Insurance	170,747	5,309	884	176,940
Professional services	14,059	192,681	27,000	233,740
Tenant activities	188,405	-	-	188,405
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 Statements of Cash Flows  
Years Ended December 31, 2019 and 2018

	2019	2018 (As Restated)
Operating Activities		
Cash received from rentals and services	\$ 9,888,085	\$ 9,503,966
Cash received from contributions	525,202	317,705
Cash received from investment portfolio and other	257,710	214,100
Cash paid for salaries, benefits and taxes	(4,501,894)	(4,285,912)
Cash paid to vendors	(3,428,589)	(3,611,788)
Cash paid for interest	(365,001)	(352,860)
Net cash flows from operating activities	<u>2,375,513</u>	<u>1,785,211</u>
Investing Activities		
Interest and dividends reinvested	(199,240)	(202,330)
Purchase of investments	(2,504,357)	(2,249,248)
Sale of investments	3,400,349	-
Purchase of property and equipment	(872,044)	(944,783)
Net cash flows (used for) investing activities	<u>(175,292)</u>	<u>(3,396,361)</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>-</u>	<u>3,921,297</u>
Net Change in Cash, Cash Equivalents and Tenant Security Deposits	2,200,221	2,310,147
Cash, Cash Equivalents and Tenant Security Deposits		
Beginning of Year	5,799,130	3,488,983
End of Year	<u>\$ 7,999,351</u>	<u>\$ 5,799,130</u>
Cash and Cash Equivalents	\$ 7,841,165	\$ 5,648,173
Tenant Security Deposits	158,186	150,957
Total cash, cash equivalents and tenant security deposits	<u>\$ 7,999,351</u>	<u>\$ 5,799,130</u>
Noncash investing activity		
Increase in property and equipment from accounts payable	<u>\$ 426,809</u>	<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 established as nonprofit corporations 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 as a nonprofit corporation 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 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 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. Assisted living services are funded primarily by monthly payments from participants. Participants who do not have the financial ability to pay these costs are subsidized by Medicaid. 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 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.

## 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”.

## Changes in Accounting Principles

### *Adoption of FASB Accounting Standards Update 2016-18*

As of January 1, 2019, we adopted the provisions of Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230) Restricted Cash*. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents, by including amounts generally described as restricted cash and restricted cash equivalents with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. Retrospective application of the standard is required. We have adopted this standard as management believes this presentation eliminates a diversity in practice in the presentation of restricted cash and restricted cash equivalents in the statement of cash flows.

### *Adoption of FASB Accounting Standards Update 2014-19*

As of January 1, 2019, we adopted the provisions of Accounting Standards Update (ASU) 2014-19, *Revenues from Contracts with Customers (Topic 606)*. The guidance provides a principles-based approach for determining revenue recognition and supersedes all existing guidance, such as current transaction and industry-specific revenue recognition guidance. The core principle of ASU 2014-19 is that an entity will recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (payment) to which the entity expects to be entitled in exchange for those goods or services. ASU 2014-09 identifies a five-step process in order to recognize revenue. In addition, there is also more comprehensive guidance for transactions such as service revenue, contract modifications, and multiple element arrangements.

We have elected to apply certain allowable practical expedients when applying the guidance. For completed rental contracts, we did not restate the rental contracts that began and ended within the same annual reporting period. For completed rental contracts that have variable considerations, we used the transaction price at the date the rental contract was completed rather than estimating variable consideration amounts for the prior reporting period. We have applied the above practical expedients consistently to all rental contracts within the reporting period. We do not believe the effect of applying these expedients has a material impact on the amounts presented or disclosed.

#### *Adoption of FASB Accounting Standards Update 2018-08*

As of January 1, 2019, FASB has issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made. This standard assists us in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. We have implemented the provisions of ASU 2018-08 applicable to both contributions received and to contributions made in the accompanying financial statements under a modified prospective basis. Accordingly, there is no effect on net assets in connection with the implementation of ASU 2018-08.

#### **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, 2019 and 2018.

#### **Receivables and Credit Policy**

Accounts receivable are non-interest bearing, uncollateralized resident and third-party obligations and, as of December 31, 2019 and 2018, primarily consist of amounts due from Medicaid. 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, 2019 and 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, we 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. We 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 consolidated statements of financial position, with distributions and changes in fair value recognized in the consolidated statements 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 were no indicators of asset impairment during the years ended December 31, 2019 and 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**

### *Net Tenant Rent Revenue*

Housing units are rented under operating lease agreements with terms of one year or less. Rent revenue from tenants is recognized in the month in which the revenue is 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, which results from any unrented units.

### *Tenant Assistance Payments*

We have qualified for a rental assistance payments contract with HUD's Mark-Up-To-Market program that expires in April 2038. This program increases rents comparable to market-rate rent levels for the area. The contract is administered by HUD and provides direct assistance payments directly to us on behalf of qualified low-income tenants. The contract contains several significant provisions:

- All dwelling units subject to the Section 8 Contract must be rented to families eligible to receive the benefit of rental assistance payments. Contract rents are established for each unit, with the tenant paying a portion of the contract rent based on the person's income level and the balance paid by HUD.
- If a qualified tenant vacates the dwelling unit for any reason other than the member's violation of lease terms, HUD will pay the Partnership 80 percent of the contract rent for a period of up to 60 days while the unit remains vacant.

- We are required to maintain an account to hold security deposits collected from tenants. This account is required to be separate and apart from all other funds of the project in a trust account and the amount shall be at all times equal to or exceed the aggregate of all outstanding obligations under said account.

#### *Food Service Revenue*

Food service is mandatory for all tenants of the East, West and South entities, and tenants can only opt out of the program with a doctor's written notice. Any food service revenue received prior to the month of occupancy is reported as prepaid revenue.

Food service revenue is reported at the amount that reflects the consideration to which we expect to be entitled to in exchange for providing services. We bill for these services on the first day of the month. Revenue is recognized as performance obligations are satisfied and there is no revenue recognized at a specific point in time.

Performance obligations are determined based on the nature of the services provided. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to the total expected (or actual) charges. We believe that this method provides an accurate depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. We measure the performance obligation from residents receiving food services from the beginning of the performance period, generally admission or the beginning of each month, to the sooner of completion of services to that tenant, discharge, or the end of the month. We determine the transaction price based on standard charges for goods and services.

#### *Assisted Living Revenue*

Assisted living revenue is measured 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 revenue.

Assisted living revenue is reported at the amount that reflects the consideration to which we expect to be entitled to in exchange for providing care. These amounts are due from residents, third-party payors, and others including private payors. We bill residents and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied and there is no revenue recognized at a specific point in time.

Performance obligations are determined based on the nature of the services provided. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to the total expected (or actual) charges. We believe that this method provides an accurate depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. We measure the performance obligation from residents receiving assisted living services from the beginning of the performance period, generally admission or the beginning of each month, to the sooner of completion of services to that resident, discharge, or the end of the month. We determine the transaction price based on standard charges for goods and services.

### *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, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been 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 consolidated 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 years ended December 31, 2019 and 2018.

### **Debt Issuance Costs**

Debt issuance costs are amortized over the period the related obligation is outstanding using the effective interest method. Debt issuance costs reduce the amount of outstanding debt presented in the consolidated statements of financial position. Amortization of debt issuance costs is included in interest expense in the accompanying consolidated statements of activities.

### **Advertising**

We use advertising to promote our programs amongst the audience we serve, and expense all costs as incurred. For the years ended December 31, 2019 and 2018 advertising costs totaled \$50,710 and \$62,582.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present 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, taxes and benefits, 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 Instruments 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, 2019, this supplement represented 79.6%, 75.0% and 82.8%, respectively, of total revenue of each project. For the year ended December 31, 2018, this supplement represented 79.4%, 75.0% and 83.0%, respectively, of total revenue of each project.

## **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 consolidated statements of financial position date, comprise the following:

	2019	2018
Cash and cash equivalents	\$ 7,841,165	\$ 5,642,026
Accounts receivable	41,109	26,066
Promises to give	41,600	42,800
Investment portfolio	2,116,282	3,037,666
	<u>\$ 10,040,156</u>	<u>\$ 8,748,558</u>

Donor restricted funds that are expected to be utilized in the normal course of operations within one year have been included in the table.

The beneficial interest in assets held by RCF does not have an expenditure policy in place. Therefore, any distribution that we may receive during the next year has not been included in the above table.

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 consolidated 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.

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 the 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.

As of December 31, 2019:

	Total	Fair Value Measurement at Report Date		
		Level 1	Level 2	Level 3
Foundation investment portfolio:				
Cash (at cost)	\$ 73,878	\$ -	\$ -	\$ -
Mutual funds:				
Global equity	1,452,180	1,452,180	-	-
Domestic equity	2,276,665	2,276,665	-	-
Domestic fixed equity	845,287	845,287	-	-
Global fixed income	258,591	258,591	-	-
Global real estate	284,146	284,146	-	-
Hedge fund strategies	789,834	789,834	-	-
	<u>5,980,581</u>	<u>5,906,703</u>	<u>-</u>	<u>-</u>
Investment portfolio:				
Cash (at cost)	445,519	-	-	-
Mutual funds:				
Domestic fixed income	1,712,475	1,712,475	-	-
	<u>2,157,994</u>	<u>1,712,475</u>	<u>-</u>	<u>-</u>
Total investment portfolio	<u>\$ 8,138,575</u>	<u>\$ 7,619,178</u>	<u>\$ -</u>	<u>\$ -</u>
Beneficial interest in assets held by Rose Community Foundation	<u>\$ 83,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,312</u>

Allied Housing, Inc. and Affiliates  
d/b/a Kavod Senior Life  
Notes to Consolidated Financial Statements  
December 31, 2019 and 2018

As of December 31, 2018:

	Total	Fair Value Measurement at Report Date Using		
		Level 1	Level 2	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 years ended December 31, 2019 and 2018:

	2019	2018
Beginning balance	\$ 76,866	\$ 87,210
Net investment return	10,585	(6,174)
Distributions	(4,139)	(4,170)
Ending balance	<u>\$ 83,312</u>	<u>\$ 76,866</u>

### Subsequent Market Decline

Subsequent to year-end, the United States and global markets experienced significant declines in value resulting from uncertainty caused by the world-wide coronavirus pandemic. Management is closely monitoring our investment portfolio and liquidity and is actively working to minimize the impact of these declines. Our consolidated financial statements do not include adjustments to fair value that have resulted from these declines.



**Note 4 - Property and Equipment**

Property and equipment consists of the following as of December 31, 2019 and 2018.

	2019	2018
Land	\$ 422,361	\$ 422,361
Buildings and improvements	21,578,895	21,578,895
Equipment, furniture, and furnishings	3,280,463	2,932,137
Construction in progress	1,379,302	581,261
	26,661,021	25,514,654
Less accumulated depreciation	(16,550,470)	(15,525,505)
	<u>\$ 10,110,551</u>	<u>\$ 9,989,149</u>

East, West and South have each incurred costs for property improvements that have been reported above as construction in progress. As of December 31, 2019, we owe a total of \$426,809 on these projects, which are included in accounts payable in the accompanying consolidated statements of financial position.

We are in the process of renovating certain portions of our housing complexes. East and South have entered into a construction contract with Pinkard Construction Company in the amount of \$8,900,000 for the renovation project which is expected to be completed during 2021.

**Note 5 - Note Payable**

Note payable consists of the following at December 31, 2019 and 2018:

	2019	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	\$ 9,000,000
Unamortized debt issuance costs, based on an effective rate at 4.12%	\$ (124,457)	(136,903)
	<u>\$ 8,875,543</u>	<u>\$ 8,863,097</u>

During 2018, East and South jointly entered into a \$17,000,000 construction loan agreement with a financial institution and the loan is allocated 60% to East and 40% to South. As of December 31, 2019 and 2018, \$9,000,000 has been drawn down on the construction note payable. East and South have used their 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 are required to draw a minimum of \$15,000,000 by the completion date (as defined in the agreement). Any proceeds not drawn by the entities by this date will be advanced by the lender and placed in a lender-controlled account.

Beginning in January 2018, monthly payments of accrued interest were required. Beginning March 19, 2020, principal and interest payments are due monthly in an amount necessary to fully amortize the entire \$17,000,000 balance by the maturity date of February 1, 2030.

The loan is secured by a deed of trust, assignment of leases and rents and security agreement specific to both East and South and a guaranty by Allied Housing, Inc. The agreement contains certain covenants related to, among other matters, the maintenance of debt service coverage ratios.

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

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 246,807
2021	306,958
2022	319,640
2023	332,847
2024	344,797
Thereafter	15,448,951
	<u><u>\$ 17,000,000</u></u>

Subsequent to year-end, we applied for and were granted a \$794,400 loan under the Paycheck Protection Program administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The loan accrues interest, but payments are not required to begin for six months to one year after the funding of the loan. We are eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. We intend to take measures to maximize the loan forgiveness but cannot reasonably determine the portion of the loan that will ultimately be forgiven.

#### **Note 6 - 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 years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Board-designated funds, beginning of year	\$ 4,958,483	\$ 5,386,976
Investment income (loss), net	1,015,951	(428,493)
Board-designated funds, end of year	<u><u>\$ 5,974,434</u></u>	<u><u>\$ 4,958,483</u></u>

**Note 7 - Net Assets with Donor Restrictions**

Net assets with donor restrictions consist of the following at December 31, 2019 and 2018:

	2019	2018
Subject to expenditure for specified purpose:		
Software implementation	\$ 110,000	\$ -
Health and wellness programs	93,710	80,500
Outreach and community building	47,774	-
Kavod in the City	14,000	-
Kavod on the Road	-	58,370
Other	14,785	6,147
	<u>280,269</u>	<u>145,017</u>
Not subject to spending policy or appropriation:		
Beneficial interest in assets held by Rose Community Foundation on behalf of Allied Jewish Apartments Foundation	83,312	76,866
	<u>\$ 363,581</u>	<u>\$ 221,883</u>

Net assets were released from donor restrictions by incurring expenses satisfying the donor-restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the years ending December 31, 2019 and 2018:

	2019	2018
Satisfaction of purpose restrictions		
Health and wellness programs	\$ 54,790	\$ 62,560
Kavod on the Road	58,370	52,595
Outreach and community building	2,226	-
Other	6,000	-
	<u>\$ 121,386</u>	<u>\$ 115,155</u>

**Note 8 - 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 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, 2019, housing assistance payments from HUD were \$2,710,732 (East), \$1,703,405 (West) and \$1,671,690 (South) for a total of \$6,085,827 reported as tenant assistance payments on the statement of activities. 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 consolidated statements of activities.

## **Note 9 - Retirement Benefits**

AHI participates in a defined contribution pension plan and a 403(b) thrift plan (the Plans) 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 years ended December 31, 2019 and 2018 totaled \$86,774 and \$83,622, respectively, based on a defined contribution of 3% of covered employees' compensation. Contributions made for the 403(b) thrift plan for the years ended December 31, 2019 and 2018 totaled \$70,916 and \$69,577, respectively, based on a matching contribution of 100% of employees' contributions up to a maximum of 4% of covered employees' compensation.

## **Note 10 - Restatement Resulting from Change in Accounting Principle**

As discussed in Note 1 to the financial statements, we have adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. Accordingly, the December 31, 2018 statement of cash flows has been restated to adopt this standard. Following is a summary of the effects of the change in accounting policy on our December 31, 2018 statement of cash flows.

	As Previously Reported	Adoption of ASU 2016-18	As Restated
Net Cash from Operating Activities	\$ 1,786,098	\$ (887)	\$ 1,785,211
Net Deposits to Restricted Cash	440,541	(440,541)	-
Net Cash used for Investing Activities	(2,955,820)	(440,541)	(3,396,361)
Net Change	2,751,575	(441,428)	2,310,147
Cash, Cash Equivalents and Tenant Security Deposits			
Beginning of Year	2,896,598	592,385	3,488,983
End of Year	5,648,173	150,957	5,799,130

## **Note 11 - Subsequent Events**

Subsequent to year-end, our operations have been negatively impacted by the effects of the world-wide coronavirus pandemic. Management is closely monitoring operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these consolidated financial statements, the full impact of the pandemic to our financial position and operations is not known.

We have evaluated subsequent events through April 27, 2020, the date the consolidated financial statements were available to be issued.



Supplementary Information  
December 31, 2019

**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, 2019 and our report thereon, dated April 27, 2020, 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, 2019 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 27, 2020

Allied Housing, Inc. and Affiliates  
d/b/a Kavod Senior Life  
Consolidating Schedule of Financial Position  
December 31, 2019

	Allied Housing East, LLLP/ West, LLLP/ South, LLLP	Allied Housing, Inc.	Allied Housing South, Inc.	Allied Jewish Apartments Foundation	Consolidating Eliminations	Totals
<b>Assets</b>						
Cash and cash equivalents	\$ 7,133,946	\$ 707,219	\$ -	\$ -	\$ -	\$ 7,841,165
Accounts receivable	41,109	-	-	-	-	41,109
Promises to give	-	41,600	-	-	-	41,600
Investment portfolio	1,353,256	804,738	-	5,980,581	-	8,138,575
Tenant security deposits	158,186	-	-	-	-	158,186
Prepaid expenses and other assets	203,286	28,144	-	-	-	231,430
Due from related party	-	362,257	-	-	(362,257)	-
Investments in limited partnerships	-	87,666	8,679,034	-	(8,766,700)	-
Beneficial interest in assets held by Rose Community Foundation	-	-	-	83,312	-	83,312
Property and equipment, net	10,105,797	4,754	-	-	-	10,110,551
<b>Total assets</b>	<b>\$ 18,995,580</b>	<b>\$ 2,036,378</b>	<b>\$ 8,679,034</b>	<b>\$ 6,063,893</b>	<b>\$ (9,128,957)</b>	<b>\$ 26,645,928</b>
<b>Liabilities</b>						
Accounts payable	\$ 598,413	\$ 6,030	\$ -	\$ -	\$ -	\$ 604,443
Accrued expenses	241,912	-	-	-	-	241,912
Tenant security deposits payable	150,755	-	-	-	-	150,755
Due to related party	362,257	-	-	-	(362,257)	-
Note payable, net of debt issuance costs	8,875,543	-	-	-	-	8,875,543
<b>Total liabilities</b>	<b>10,228,880</b>	<b>6,030.00</b>	<b>-</b>	<b>-</b>	<b>(362,257)</b>	<b>9,872,653</b>
<b>Net assets</b>						
Without donor restrictions						
Discretionary	-	1,663,806	-	-	-	1,663,806
Board designated for improvements	-	-	-	5,974,434	-	5,974,434
Partner's equity	7,536,446	-	-	-	-	7,536,446
Invested in property and equipment, net of related debt	1,230,254	4,754	-	-	-	1,235,008
Invested in limited partnerships	-	87,666	8,679,034	-	(8,766,700)	-
<b>Total net assets without donor restrictions</b>	<b>8,766,700</b>	<b>1,756,226</b>	<b>8,679,034</b>	<b>5,974,434</b>	<b>(8,766,700)</b>	<b>16,409,694</b>
With donor restrictions	-	274,122	-	89,459	-	363,581
<b>Total net assets</b>	<b>8,766,700</b>	<b>2,030,348</b>	<b>8,679,034</b>	<b>6,063,893</b>	<b>(8,766,700)</b>	<b>16,773,275</b>
<b>Total liabilities and net assets</b>	<b>\$ 18,995,580</b>	<b>\$ 2,036,378</b>	<b>\$ 8,679,034</b>	<b>\$ 6,063,893</b>	<b>\$ (9,128,957)</b>	<b>\$ 26,645,928</b>

Allied Housing, Inc. and Affiliates  
d/b/a Kavod Senior Life  
Consolidating Schedule of Activities  
Year Ended December 31, 2019

	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	\$ 1,607,203	\$ -	\$ -	\$ -	\$ -	\$ 1,607,203
Tenant assistance payments	6,085,827	-	-	-	-	6,085,827
Food service revenue	1,058,248	-	-	-	-	1,058,248
Assisted living services	1,059,930	-	-	-	-	1,059,930
Other elderly care income	-	14,085	-	-	-	14,085
Contributions	-	486,402	-	-	-	486,402
Net investment return	63,338	20,526	-	1,011,812	-	1,095,676
Other income	52,098	14,305	-	-	-	66,403
Distributions from and change in value of beneficial interest in assets held by RCF	-	-	-	10,585	-	10,585
Management fee revenue	-	238,800	-	-	(238,800)	-
Income from partnerships	-	9,074	898,337	-	(907,411)	-
Total support and revenues	<u>9,926,644</u>	<u>783,192</u>	<u>898,337</u>	<u>1,022,397</u>	<u>(1,146,211)</u>	<u>11,484,359</u>
Expenses						
Program service	7,005,719	152,279	-	-	-	7,157,998
Assisted living service	855,591	-	-	-	-	855,591
Management and general	1,118,858	417,514	-	-	(238,800)	1,297,572
Fundraising	39,065	150,594	-	-	-	189,659
Total expenses	<u>9,019,233</u>	<u>720,387</u>	<u>-</u>	<u>-</u>	<u>(238,800)</u>	<u>9,500,820</u>
Change in Net Assets	907,411	62,805	898,337	1,022,397	(907,411)	1,983,539
Net assets, Beginning of Year	7,859,289	1,967,543	7,780,697	5,041,496	(7,859,289)	14,789,736
Net Assets, End of Year	<u>\$ 8,766,700</u>	<u>\$ 2,030,348</u>	<u>\$ 8,679,034</u>	<u>\$ 6,063,893</u>	<u>\$ (8,766,700)</u>	<u>\$ 16,773,275</u>



## **COVID-19 PREPAREDNESS FAQ SHEET**

AS OF 4/22/20

**Listed below is a brief summary of the measures Kavod Senior Life has taken to prevent the onset of coronavirus or COVID-19 on its campus.**

These protocols are in accordance to recommendations from the CDC, CDPHE and DDPHE\* along with local, state and federal mandates.

Kavod adjusts these policies to comply with ongoing requirements as new developments emerge and new information is disseminated.

### **VISITOR POLICY**

- No outside visitors are allowed in the buildings except for essential caregiving services.
- Any potential visitor must be deemed as essential by front entrance screening personnel at each entrance.
- Each of Kavod's three entries has a screen station that is staffed from 7:30am to 10:30pm M-F and from 8am – 5pm Sat –Sun.
  - The visitor must answer key health questions on a form (designed by the CDPHE) prior to entry, as well as designating the apartment visited and reason for visit.
  - These forms are reviewed and kept on file as a contact record.
- Starting 4/15, Kavod implemented an after-hour screening schedule from 10:30pm – 7:30pm M-F and 5p – 2am Sat-Sun from the main East entrance.
  - All other entrances have Do Not Disturb function during these times, in which the visitor must contact the main entrance screener and verbally answer the screening questions prior to entry.
  - The visitor may not contact the resident directly and be let in by the resident as they can during the day.

- Night managers who are on call from 10pm – 8am have been trained on visitor protocol after hours. They have also been equipped with appropriate PPE to use as needed.
- All visitors must wear a mask while on campus. Kavod notified all caregivers on 4/9 and started enforcing this policy on 4/13. Delivery personnel will also be asked to wear a mask but will not be turned away due to the essential nature of their visit and short time on the premises.
  - Kavod has supplied additional cloth masks at each screening station that a caregiver may borrow on a case by case basis (e.g. if he/she is essential but does not have a mask on hand). These masks are returned at the end of the day and laundered per appropriate cleaning protocols.
- Signs have been posted at all entrances alerting visitors that they are not allowed.
  - The first signs established just limited visitors who had warning signs.
  - These were updated to limit all visitors by mid-March.
  - Signs were modeled after templates provided by the DDPHE.
- Residents have been asked to meet pharmacy and grocery deliveries outside rather than have those come on campus. If residents are unable to do this, deliveries are dropped off at the screening station and Kavod staff runners deliver to the individual outside his/her door (non-contact).
- Packages are dropped off at the front desk and residents are asked to come and retrieve them.
  - If residents are unable to come down, Kavod staff will deliver to their apartments.
  - All postal carriers are all screened per the normal process and must also wear a mask.

## **STAFF**

- All staff members with the capability of working remotely have been set up to do so. Managers are asked to reduce staff as much as possible.
  - Kavod has decided to continue to retain and pay these employees despite the reduction of job duties or needs. This policy will be re-assessed after 30 days for viability.

- Staff members who work on campus report their temperature prior to each shift, recorded in a log and kept on file.
  - If an employee's temperature shows above 100.4, he or she must immediately leave the campus and call his/her supervisor for further instructions.
  - Kavod has provided a pay differential for essential front-line staff to help reward and incentivize them to continue their work in this jobs that have more associated risk. These staff were also provided a one-time \$200 bonus.
- As of 4/2/20, staff on campus must wear a mask; those with direct resident contact utilize the hospital-grade types; all others utilize a cloth version and are instructed to launder it daily.
- Staff receive timely updates by email. They receive copies of all communications going to residents so they stay informed plus any additional updates on changes from the state to ensure they do not have any risk factors that would affect their ability to enter campus (e.g. 14-day quarantine for those visiting certain Colorado counties or countries, etc.).
  - Staff also receive ongoing updates regarding benefits, mental health resources and other items to maintain their optimal health and wellness.
- Kavod's Leadership Team meets daily either in person or remotely to discuss and implement ongoing changes.

## **DINING**

- Kavod dining rooms have all been closed. Daily meals (Sun – Fri) are now delivered directly to apartments as of Thursday, March 19.
- For Assisted Living, all three meals are being delivered directly to resident apartments.
- For Independent Living, one meal per day was delivered to individual apartments until April 5, at which time delivery happens 3 times per week, 2 meals per delivery.
  - Dining staff knock on the resident door and leave the meal outside to avoid unnecessary contact.

- Delivery charges have been waived.
- For the month of April, resident either receive a \$50 credit on their food bill or pay nothing if their entire bill is less than \$50.
- Kavod delivered a hot meal to residents for Passover and offered kosher for Passover option for all residents. Residents received a notice with their food delivery on Tuesday, April 7 about this change for April 8. April 9 they went back to the 2-meal/delivery system.
- Kavod family members and residents were notified of this change.
- Starting the first week of April, Kavod's Health and Wellness department deliver a form to all residents on Monday every-other week asking them what food or basic supplies they needed. Orders are picked up on Wednesday, filled and then delivered on Thursday.
  - Residents received the formal delivery schedule in the Voice newsletter sent April 13 for the rest of the month.
  - Based on the first week of requests, Kavod updated its wish list for the community and uploaded it to the website.
- Kavod announced on 4/14 that it will cover grocery deliveries for residents for up to \$10 per deliver for up to 2 deliveries in the month of April to help them obtain needed supplies while sheltering in place.
  - \*as of 4/13, the Denver Mayor extended the stay-at-home order through 4/30/20.

## **FACILITIES**

Only emergency work orders are being fulfilled, which includes a list of items such as water/drain issues, light, heat and other crucial repairs.

- Kavod housekeeping has been cancelled until further notice.
- Construction projects on campus affecting individual apartments has been postponed. Only work on outside or non-contact areas is being allowed.
  - The new laundry area in the West offices will open to allow residents more access to laundry than the limited space with the AL machines.
- All furniture in lobby areas and gathering areas has been properly spaced six feet or more or removed completely; this includes both indoor and outdoor spaces.

- Gathering spaces are closed; lobby sitting available for residents waiting for rides. Social gatherings have been discouraged.
- Kavod has posted signs in public spaces regarding various changes including (but not limited to) the following:
  - Handwashing protocols posted in all public restrooms
  - Closure signs on all public spaces such as the dining & activity rooms
  - “No visitors allowed” signs on all entrances
  - Signs on the West and South buildings routing all deliveries to the main East entrance
  - Signs on all screening stations regarding the rule to fill out the log, wear a mask and other protocols.
  - Signs on main entrance preventing construction personnel from entering the building (port a potties available outside the premises for their use)
  - Signs on each floor limiting elevator use to 2 per ride, and limits posted on all laundry rooms limiting capacity to comply with social distancing standards; 2 person limit sign also posted on smoking hut.
- Kavod continues to research ways to order and obtain necessary PPE from various sources, including gloves, masks, gowns and other items for staff having direct contact with residents (such as Assisted Living) or in the scenario where a positive COVID-19 case was identified on campus (in which new protocols would be put in place).

## **ACTIVITIES**

ALL activities, events and trips have been cancelled. When possible, a few activities and mental health clinics or other services have been arranged remotely.

- Starting 4/2/20, residents who choose to participate can sign up to receive free resources they can do on their own, such as puzzles, activity books, crosswords and the like.
  - Residents will continue to provide such activities every other week.
- Kavod will distribute a pared-down version of the resident newsletter, The Voice, on April 13, per resident request, with updates and encouragement items.

- Starting 4/22, Life Enrichment will arrange for a progressive concert to play outside of resident windows. Other activities will be added that can be done to support residents' mental health while staying at home.

## **RESIDENT CARE**

Residents have received ongoing letters and updates about changes on campus delivered straight to their mailbox and translated into Russian to accommodate the large number of native Russian speakers on campus (about 30%).

- Residents have been advised to:
  - Stay in their apartments as much as possible
  - Not loiter or gather in public areas
  - Wash their hands often
  - Adhere to social distancing advisements
  - Not ride on buses or go to places with crowds or lots of people
- Kavod Care Coordinators (social workers) have been calling all residents to check on their health and wellbeing as well as address any needs.
- Resident family members have received consistent updates by mail and email; they have also each received a touchpoint by phone; updates also are posted on the Kavod website.
- An email system is being established for non-crucial updates, as not all residents have or utilize email; Kavod is working to obtain as many emails as possible.
- Kavod has ordered masks for all residents and also has received some donated ones.
- A Russian hotline was established for Kavod's native Russian speakers to call and speak to a staff member who is a licensed therapist with any concerns

## **COMMUNITY & MARKETING**

- All community programs and activities have been canceled (including but not limited to Kavod on the Road and Kavod in the City). Participants have received monthly updates via postcards and emails.
  - Kavod sent an email on 4/2 to community members with partner activities that can be accessed online.

- Kavod also is calling all community members as a courtesy check in.
- Kavod established a Coronavirus Support Fund to help provide for the basic needs of its residents, including but not limited to toilet tissue, disinfectant, laundry soap and non-perishable goods.
- Kavod established a hotline that community members can call with questions or concerns. The phone is monitored from 8-5 by a staff member.
- Kavod's website is continuously updated to reflect changes on campus.
- CBS4 local featured Kavod's needs on a 6:30 broadcast on 3/24/20. The program was re-aired on 3/30/20.
- In adherence to the No Visitors rule, Kavod created a virtual tour for prospective residents, families or potential move ins.

## **POLICIES AND PROCEDURES**

- Kavod's boards have been apprised of all changes in ongoing communications from the CEO and have contributed to the approval of COVID-19 campus procedures.
- Kavod's Emergency Procedure book has been updated with its policies regarding the management of the COVID-19 threat and prevention, including its contagious disease and control policy.
  - The policies are available on Kavod's internal shared drive that can be accessed by all staff.
  - The procedures have been updated by Kavod's EOC committee.
- Kavod has established protocols for various future scenarios such as a case discovered on campus or other items that would affect the current policies. This includes:
  - Script for staff to manage incoming calls
  - Using our hotline for inquiries that take more research
  - Identifying the CEO as the media contact and preparing him with answers
  - Communications to go out to residents and family members
- Kavod adjusts its policies on an ongoing basis to comply with all related mandates from federal, state and local governments.

*\*CDC = Center for Disease Control*

*\*CDPHE – Colorado Department of Public Health and Environment*

*\*DDPHE – Denver Department of Public Health and Environment*