

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: Kavod Senior Life envisions a Denver metro area where older adults have ready access to housing and senior services that are consistent with Jewish values and tradition.

**Kavod Senior Life
Board of Directors Meeting and Annual Meeting
Agenda**

Monday, December 12, 2022

5:30pm

Via Zoom Conference Call

	Item	Presenter	Action
5:30pm	Welcome, Call to Order, Quorum Determination and Agenda Review	Molly Zwerdlinger	
5:32 pm	Consent Agenda <ul style="list-style-type: none"> • October 2022 Board Minutes • September/October Financials • Construction Schedule • Fiscal Committee Minutes • Foundation Minutes • Strategic Planning Minutes • Resident & Community Services Minutes 	Molly Zwerdlinger	Approval
5:35pm	Update Board Development & Leadership <ul style="list-style-type: none"> • Approval of Joe Dubroff 	Rob Friedman	
5:45pm	990 Review	Kyle Fritch, Eide Bailly Connell Saltzman	Informational
5:55pm	2023 Budget Review/Discussion	Connell Saltzman Mike Belieu	Approval
6:15pm	Year in review	Michael Klein	Informational
6:25pm	Compliance Report	Sharon Caulfield	Informational
6:30pm	Resident & Community Services	Jan Schorr	Informational
6:35pm	Strategic Planning Committee	Alexandra Mannerings	Informational
6:45pm	Fiscal Committee – Construction	Connell Saltzman Mike Belieu Tracy Kapaun	Informational
6:55pm	Chairperson’s Report	Molly Zwerdlinger	Informational
7:00pm	Adjourn		

Next Board of Directors Meeting February 27, 2023 at 5:30 pm.

Helping Seniors Age Well through Community, Connections and Support.



Kavod Senior Life
Board of Directors
Board Meeting
October 24, 2022

The board meeting was a hybrid meeting (in person for those who wish to be and virtual for those who wished to be). Present: Brian Botnick, Rob Friedman, Rodi Liv, Alexandria Mannerings, Melanie Siegel, Connell Saltzman, Gary Saltzman, Joey Simon, Jan Schorr, Steven Summer Yolanda Webb, David Zaterman and Molly Zwerdlinger. Staff: Michael Klein, Michael Belieu, Tracy Kapaun, Christine Dewhurst and Christie Ziegler. Guest: Marc Penner, President/CEO Shalom Park, and Elisa Robyn, Chairperson of the Board for Shalom Park. Each person in attendance acknowledged the ability to hear and speak during the meeting.

Ms. Molly Zwerdlinger ascertained that a quorum was established and called the meeting to order. With a quorum being established, the consent agenda was presented for approval, with a motion to approve by Mr. Summer and a second by Ms. Kline. Motion passed.

Ms. Zwerdlinger advised the Board that Ms. Sarah Golombek had tendered her resignation to the board. Ms. Golombek was at the meeting and advised the members that due to family commitments she was leaving the board. She indicated her enjoyment of serving on the board and believed in the mission of Kavod. Ms. Zwerdlinger and members of the Board thanked Ms. Golombek for her services to Kavod.

Mr. Klein introduced Mr. Marc Penner, President and CEO of Shalom Park and Ms. Elisa Robyn, Chairperson of the Board of Directors from Shalom Park. Mr. Penner and Ms. Robyn provided a brief review of the services provided by Shalom Park. They explained the basic services they offer and talked about Kavod and Shalom Park partnership that makes the lives of seniors at Kavod and in the community better.

Mr. Connell Saltzman reported on the search for a new audit firm. He advised that after an extensive search the Fiscal Committee has approved hiring Comer Nowling and Associates, P.C. out of Indianapolis. Mr. C. Saltzman provided the board with an updated on construction. He advised that construction is anticipated to be generally completed by end of October with most inspections being completed in November. He noted that there are three parts of the project that will extend full completion and the issuance of final occupancy certificates:

- 1) new fan coils in the south buildings;
- 2) completion of smoke detectors that were installed as part of the fire safety systems and
- 3) the fire sprinkler permit in the West Building is being revised based on reviews by the Denver Fire Department.

Mr. Saltzman advised that the fiscal committee will continue to monitor progress of the construction and will continue to provide reports to the Board.

Mr. Uros Grasic, IT Systems Management was not able to join the meeting therefore, Mr. Mike Belieu provided the Board with an update on the enhancements in Kavod's cyber security as well as the building security.

Mr. Steven Summer presented the CEO Mid-year Assessment. He advised that the CEO Compensation Committee had reviewed Mr. Klein's mid-year progress regarding the 2022 goals and indicated progress is being made as anticipated on the goals. He thanked Mr. Klein and Management Team for doing an outstanding job this year.

Mr. Fisher presented the Strategic Planning Update. He advised that after due diligence by the Strategic Planning Committee and staff, it was decided that adding additional units (building on the west parking lot) was not feasible at this time. The committee will continue to look for opportunities to build but the focus has turned to the other priority of providing more support services to older adults in the community as well as focusing on those utilizing our Kavod on the Road programs.

Mr. Rob Friedman advised the board there are some openings on the Kavod Foundation Board of Directors. We are looking to add one community member and one KSL board member. Based on this information, the Board Development and Leadership Committee is recommending the KSL Board approve the following members to the Kavod Foundation Board, with the understanding that the Foundation Board will also need to approve their membership: The community member is Kevin Shuller and the Board Representative is to be Yolanda Webb. Mr. Friedman moved to approve Mr. Shuller and Ms. Webb to the Foundation Board with a second by Ms. Sarche. Motion was approved.

Mr. Klein presented his CEO report indicating Kavod Senior Life received a superior score on the MOR from CHFA. He also reported that the West Building received a 96 on the most recent REAC inspection, which means the West building will not need to be inspected for 3 years. He advised that Dr. Robert Schwartz of CU Medicine will be retiring and a replacement will be coming onsite for the CU clinic at Kavod. Concerning Covid 19, Mr. Klein indicated that currently there are no case on campus and that Kavod is nearly back to normal

As part of Ms Zwerdinger's Chairperson's report, she advised the Executive Committee has two openings, one at large position and one Chair-Elect position. She stated Scott Fisher was asked to join the Executive Committee for the at-large position and agreed to join. Mr. Friedman moved the nomination of Scott Fisher to the At-Large position on the Executive Committee for a 2-year term. Ms. Siegel seconded the motion. The motion passed.

The meeting was adjourned at 7 pm.

Contact

www.linkedin.com/in/josephsdubroff (LinkedIn)

Top Skills

Microsoft Outlook
Leadership Development
Operations Management

Languages

English (Native or Bilingual)
Hebrew (Professional Working)
Spanish (Elementary)
Arabic (Elementary)

Publications

Saudi Arabia's Vision 2030
Economic Reforms in Light of
Recently Assertive Foreign Policy
Choices

International Scientific Organizations
and Israel's Relations with the Arab
World

Starting Lineup for the Fantasy
Football Team "Last of the
Mohicans"

Joseph Dubroff

Government Affairs | International Relations | Traditional and Social
Media | Cross-cultural Communication | Quantitative and Qualitative
Analysis

Denver, Colorado, United States

Summary

I am a highly adaptable international affairs researcher with experience using quantitative and qualitative analysis to provide new insights into important, complex issues. I am an effective communicator with experience utilizing traditional and social media to disseminate key organizational messages. I have a number of successful campaigns as a government affairs professional with proven experience working on the federal, state, and international levels. I am passionate about building bridges of understanding and making our community and our world a better place.

Experience

Western Union

Manager, Content & Insight
March 2022 - July 2022 (5 months)
Denver, Colorado, United States

Create compelling, data-driven content positioning Western Union as a thought leader on its priority issues

-Created a portfolio of materials for the April 2022 launch of the Today's Migrant survey including key messaging document, press release, bylines, and infographics

--Presented the survey findings to colleagues and external partners from think tanks and NGOs

-Manage research partnership with the Fletcher School at Tufts University to develop measurements of the impact of and need for migration

-Created Data For Good framework through which Western Union utilizes transaction data to contribute interesting new perspectives and insights into significant world events

JEWISHcolorado

Director Of External Affairs

September 2019 - February 2022 (2 years 6 months)

Greater Denver Area

Directed advocacy on the federal, state, and local government levels including policy development, liaising with contract lobbyists, coalition building, grassroots activation, media strategy, and policy implementation.

-Led advocacy campaign that resulted in the unanimous passage of HB20-1336, strengthening standards for K-12 instruction in Holocaust and Genocide Studies.

-Established and secured sign-on from 90 organizations to the coalition supporting the creation of the Colorado Nonprofit Security Grant Program (NSGP), passing with significant bipartisan support and signed into law.

-Planned and accompanied the JCRC's 2019 Colorado Public Officials Mission to Israel with members of the Colorado General Assembly, members of the governor's cabinet and staff, and community leaders.

AJC Global

Communications Assistant

December 2018 - June 2019 (7 months)

Greater Denver Area

Contributed to the operation of AJC's social media pages and wrote its weekly newsletter.

-Drafted posts and tracked engagement on AJC's Facebook (319,000 likes) and Twitter (115,000 followers) profiles using Facebook for Developers, Twitter for Business, Twitter for Developers, and Tweetdeck.

-Composed AJC Dispatch (35,000 subscribers), a weekly analysis of key news stories related to AJC priorities.

University of Denver - Josef Korbel School of International Studies

Research/Project Aide

September 2017 - December 2018 (1 year 4 months)

Greater Denver Area

Supported Ambassador Grappo in teaching two courses on U.S. policy in the Middle East starting in World War II and current issues in U.S. policy in the Middle East as well preparing lectures on the subject.

-Researched primary source documents through presidential libraries and National Archives as well as other articles and books to be added to assigned readings.

-Created PowerPoint presentations for Ambassador Grappo's class lectures and speaking engagements.

Managed communications with students enrolled in the course via Canvas.

The Moshe Dayan Center for Middle Eastern and African Studies Research Intern

June 2018 - August 2018 (3 months)

Tel Aviv Area, Israel

Conducted qualitative and quantitative research focused on foreign relations in the Middle East.

-Wrote two articles that were accepted for publication:

AJC Global

Communications Assistant

July 2017 - August 2017 (2 months)

Greater Denver Area

-Composed posts and monitored engagement for AJC's Facebook (more than 300,000 likes) and Twitter (more than 80,000 followers)

-Wrote AJC Dispatch (25,000 subscribers), a weekly analysis of key news stories related to AJC's policy priorities

State of Colorado

Executive Intern, Office of Governor John Hickenlooper

June 2017 - August 2017 (3 months)

Greater Denver Area

Researched potential funders for Governor's Office programs using the Foundation Directory.

-Composed posts for Governor Hickenlooper's social media accounts.

AJC Global

5 years 5 months

Assistant Director, Diplomatic Outreach

July 2015 - December 2016 (1 year 6 months)

Washington D.C.

Coordinated key components of AJC's diplomatic advocacy including overseeing special programs, research and maintenance of country briefing papers, and establishing connections with new partners.

-Led research and scheduling to prepare for and confirm meetings and special events with more than 70 world leaders during the opening of the 70th and 71st UN General Assemblies.

-Worked with the foreign ministries and embassies of Bahrain, Oman, and the United Arab Emirates, to coordinate all aspects of the 2015 and 2016 AJC diplomatic missions to those countries.

-Broadened contacts and strengthened relationships with civil society, diplomatic, and interreligious interlocutors in the Middle East.

-Oversaw foreign affairs research by a team of 10 to keep AJC country briefing papers up to date.

Assistant Director, Operations and Evaluations, Office of Government and International Affairs

June 2013 - July 2015 (2 years 2 months)

Washington D.C. Metro Area

Supported the operations of 13 departments and 50 staff members in AJC's Office of Government and International Affairs.

-Increased operational efficiency by liaising with the IT, Finance, HR, and Marketing and Communications Departments.

-Created quantitative and qualitative analytical methodologies to measure impact for use in internal reporting and reports to funders.

-Developed and oversaw a comprehensive program for summer interns, including professional development.

-Collaborated with multiple U.S.- and Europe-based departments on AJC's 2015 high-level conference on combating anti-Semitism, in which 25 EU member states participated.

Goldman Bridge Fellowship-Washington, DC

October 2011 - June 2013 (1 year 9 months)

Washington D.C. Metro Area

Staffed AJC ACCESS DC, local chapter of AJC's young leadership program and contributed to AJC Washington's social media and development of ties with diplomatic corps and interfaith leaders.

-Developed and executed strategy that doubled AJC Washington's Twitter and Facebook followers.

International Affairs Fellow

August 2011 - October 2011 (3 months)

-Researched and composed briefing materials focusing on UN member states' positions on AJC priority issues.

-Worked with Permanent Missions to the UN to secure meetings between government officials and AJC.

Jerusalem Institute for Policy Research

Research Assistant

July 2009 - August 2009 (2 months)

-Edited video presentations by scholars on various subjects for posting on youtube and English-language blog.

-Compiled data for research projects. Subjects included the Security Barrier and religious population effect on municipal politics

Foreign Policy Research Institute

Research Assistant and Team Leader: Think Tanks and Civil Societies Program

September 2008 - May 2009 (9 months)

-Managed research database of think tank surveys and determined trends in various aspects of think tank operations and success

-Led student research team in writing papers and PowerPoint presentations on think tanks in Israel, Bahrain, Qatar, and UAE presented to leaders from each country in 2009

Hospital of the University of Pennsylvania

Research Assistant: Department of Nuclear Medicine

July 2007 - January 2009 (1 year 7 months)

- Planned and performed research and administrative tasks in research group that concentrates in Neurological and Psychological Disorders
- Participated in creation and management of research database, including development and application of database and web-based interface for numerous study protocols to effectively link data related to: study participants, information tracking, and study results
- Restructured currently used research databases

Education

University of Denver - Josef Korbel School of International Studies

Master of Arts - MA, International Security · (2017 - 2018)

University of Pennsylvania

Bachelor of Arts - BA, International Relations, Modern Middle East Studies

The Hebrew University of Jerusalem

-, Hebrew Ulpan

Foundation Board Meeting via Zoom

November 18, 2022

8:00 a.m.

Present: Perry Moss, chair, Joey Simon, Jan Schorr, Jay Mactas, Alan Reifler, and Kevin Shuller. Staff: Michael Klein and Mike Belieu.

Guest: Jim Brauer and Jared Hobson from Syntrinsic.

Perry welcomed everyone to the meeting and made sure everyone could hear what was being discussed. Zoom was working properly.

Perry started the meeting by discussing that he is proposing adding two additional board members. They are Kevin Shuller and Yolanda Webb. After a brief introduction and discussion, Perry made the motion to add them. Joey and Jan seconded the motion and it was approved. One board member abstained. Kevin was then invited into the meeting; Yolanda was not available.

The August 23, 2022 minutes were reviewed. Perry made a motion to accept the minutes as presented, Jay seconded. Minutes were then unanimously approved.

Jim referred to the report, which the group had received, and started his presentation by reviewing the 3rd quarter. He went over the 3rd quarter 2022 performance by asset class and discussed Kavod's objective benchmark goal of CPI plus 4%. He spent time talking about private debt and the performance of various asset classes including U.S. equities, non-U.S. equities and fixed income.

Jared talked about the Capital Markets update. The markets rallied in July but had a poor August and September. He highlighted problems Europe and Asia are having with inflation. Syntrinsic expects banks around the world to continue to raise interest rates.. He talked about economic indicators that continue to get worse despite a strong U.S. labor market. Non US equality is still not an attractive investment. Private debt returned a positive performance number YTD. The fixed income performance is poor, one of the worst in history.

Jared continued the call by talking about fixed income performance. He talked about current business conditions with slow growth in 2023. Jim discussed the labor market and how low unemployment is, the Fed is looking at this and might have an impact on additional rate hikes. The group discussed the portfolio allocation and some of the lower performing investments. Jay asked for some follow up information and Jim said he would email the group or upload it to the Syntrinsic portal.

The balance of the portfolio as of 09/30/2022 was \$5,796,000, a 5.7% decrease for the 3rd quarter of 2022 and a decrease of 24.0% YTD.

With no further business to discuss, the meeting was adjourned at 9:00 am.

Resident and Community Services Committee

November 3, 2022

Zoom Meeting

Present: Jan Schorr, chair, Ondalee Kline, Jay Mactas, Scott Fisher, Gerri Persin, Seth Ward, Doug Krug, Alexandria Mannering, Katie Barbier and Jamie Sarche. Staff Michael Klein, Tracy Kapaun, Christy Martinez, Mandie Bircherm, Connie Moore, Genny Hale, and Mohamed Nuriyev

Jan asked for the previous minutes to be approved. Jay made the motion and Ondalee seconded. Motion passed.

The annual resident survey was conducted and Tracy Kapaun gave an update on the results from the independent living residents and Christy Martinez discussed the assisted living (AL) resident results. The survey had not been done during COVID. A one-page summary had been included with the agenda. (See attached). This summary was also shared with all the residents prior to this meeting.

- Independent residents gave very high marks for overall satisfaction. Areas that were noted as needing attention were the overall condition of the buildings including common areas (furniture, carpeting, and the grounds at Kavod. Dining services was also identified as receiving lower scores compared to the other areas; however, this has improved since the last survey in 2019.
- AL received high remarks in most areas; dining services marks were lower.

Both Tracy and Christy addressed the positives as well as the areas that were lower. New carpeting and flooring has been ordered for the West Building and will be installed shortly and additional capital improvements are being built into the 2023 budget. Further information on dining to follow on the next agenda item.

Mohamed who recently became the director of the department gave the Dining Services update. He reported that administration had engaged an outside dining services consultant to review the entire operation. This was to establish the strengths and weaknesses of the program and help determine areas which needed to be addressed. The overall report was positive. There were several recommendations regarding better utilization of our dining software, purchasing some new equipment and highlighting additional training for the leadership team of the department and the cooks.

Connie introduced Genny Hale who is our new volunteer coordinator. Genny shares some ideas on ways she is looking to recruit more community volunteers as well as utilizing our residents to provide more programs and support services.

Tracy and Mandie gave a Covid 19 update. Our Covid taskforce meets weekly and tracks community positivity. It has been fluctuating between 5-9%. The committee is continually monitoring any internal changes that need to be made. There are a few resident cases. We have held on-site booster and vaccination clinics through Good Day pharmacy. There are different requirements for assisted living versus independent living.

Tracy gave a construction update. We have all the permits for the fire final inspection and now need to schedule them. We have finished moving residents and Pinkard Construction is now working on a wide variety of loose ends. Tracy thanked Mandie and Gordon as well as their teams for the many details they performed throughout this lengthy process. In addition, we had a REAC inspection in the West Building, which is a HUD requirement, to assess the physical condition of the building. We received a 96, which is a great score, and this means we will not need to be inspected for another 3 years.

Mandie provided CU Medicine Update. There have been some changes in the medical staff who are on-site. Dr. Schwartz who helped establish the clinic will be retiring at the end of the year. They have extended the hours they are on-site. In general, things are working very well and our residents are very happy having physicians be available on a regular basis in our building.

Michael gave an update on some of the grants we are receiving current funding for. We recently received a significant grant for our Music and Memory and Opening Minds through Art from his brother's family and another significant grant from an individual who attends our KOTR programs. This money will support programming at Kavod.

Katie provided a Resident Council update. She has created forms so residents can express their concerns. In addition, there is now a cow mobile which the resident council sells ice cream 2 times a week. They have also scheduled a gift wrapping program for the holidays and are scheduling educational programs for the residents on a variety of topics.

Ondalee asked for donations for turkey gift cards for Thanksgiving and Michael said he would also share this with our Board.

Meeting was adjourned at 1:05.

Strategic Planning Committee Meeting Minutes
November 17, 2022 – Remote via Zoom

Members Present: Brian Botnick, Sharon Caulfield, Scott Fisher (Chair), Rodi Liv, Alexandra Mannerings, Perry Moss, Gary Saltzman, David Zaterman and Molly Zwerdinger.

Staff Present: Mike Belieu, Michael Klein, and Christie Ziegler.

Scott Fisher called the meeting to order. Participants acknowledged audio transmission was clear.

Minutes from the last meeting were reviewed and accepted.

Michael Klein presented a chart that graphically summarized various partnership options from previous discussions grouped in suggested areas of concentration. The group spent the majority of the meeting reviewing these organizations and groupings.

Members determined that any organization or group being considered for partnership must have value alignment with Kavod. Other criteria that emerged included financial viability, a long-term commitment, and the ability to grow Kavod's capacity or increase the ability to deliver core competencies. The committee felt the first discussions should begin with Jewish Family Service (JFS) and Shalom Park, who are already known to fulfill the criteria and have a pre-established working relationship with Kavod. We also discussed strengthening the services at Kavod by looking for a stronger home health group.

Sharon Caulfield suggested incorporating Boulder into an expansion strategy. Christie shared how Kavod on the Road (KOTR) is launching an outreach in 2023 with four or five Boulder organizations.

The committee suggested conducting focus groups with KOTR members to better understand what support services they currently are using and others that would benefit them or in the future. KOTR participants may not be clear about the type of support involved in past needs assessment inquiries.

Michael informed the group that we now have a retainer with Andy Edeburn who was the technical expert on our strategic planning to assist us as we go forward as we consider more specific groups to collaborate with.

There was a discussion about integrating outside members into the committee. It was suggested to invite individuals from Shalom Park and JFS to participate on an ad-hoc basis, especially when discussions specifically surround services germane to their deliverables.

Molly Zwerdinger informed the group that, as Kavod's board chair, she was already meeting with these organizational board chairs as well as presenting information (with

Michael Klein) at their board meetings. Likewise, they have presented at Kavod board meetings.

Scott shared that he will not be available for meetings until mid-February. Alex Mannerings will work with Michael to coordinate a future meeting in January. Meeting adjourned.

Kavod Senior Life 2023 Budget Talking Points

Changes from 2022 to 2023:

- Net income is projected at \$275,277 for 2023, which is down from the 2022 budgeted number of \$324,037.
- Operating costs to increase by 2.4% due to higher costs in wages across the board, facilities and dining costs including food, materials, contract costs and utilities.
- Some Payroll categories will see a large increase again in 2023, due to minimum wage increases of almost 9% and a difficult labor market to fill open positions.
- Capital spending will increase in 2023.
 - Updated lighting for the exterior of all three buildings. Bids are still pending so this number might go down.
 - The East small elevator and the South Elevators will undergo modernization.

Highlights of the 2023 Budget:

- Free Cash flow will increase to \$646,836 due to the receipt of the ERC cash receivable. *Please see cash details on the bottom of the budget summary worksheet.*
- **Staffing:** Kavod provides a compensation program that establishes and maintains competitive salary levels within relevant markets and available resources, and which is consistent with job content, responsibilities, and requirements. This accomplishes the organization's three primary staffing objectives:
 - 1) Attract a qualified, diverse workforce through a competitive compensation program;
 - 2) Retain and motivate a qualified, diverse workforce by recognizing and rewarding individual and group achievement, contribution, and excellence; and
 - 3) Provide a non-discriminatory, merit-based compensation program.
 - Consistent with our established approach, management is requesting approval for a 6% pool for 2023 salary adjustments plus an additional 2% in the second quarter. Justification for such a pool is based upon review of current compensation benchmarks, an understanding of the rapidly changing workforce challenges within the metro Denver marketplace and alignment with more recent strategies to stay ahead of rising minimum wage in the state.
 - Kavod currently has 55 full time positions and 27 part time positions. There will be no new positions in 2023.
 - Benefit costs:
 - Health insurance premiums will rise 9.8%. Kavod is still working on reducing this number.
 - Dental insurance rates will remain the same for 2023.
 - Vision, AD& D, LTD insurance will see a small increase for 2023.
- Grant revenue for 2022 is expected to come in at \$286,700, which is lower than the 2022 budget. *Please see the grant detail at the bottom of the AHI standalone budget.*

- Property and casualty insurance rates will decrease again in 2022, renewal rates for property and liability insurance are reflected in the 2023 budgeted amount.
- Mortgage interest costs on the MidFirst Loan in 2023: Construction is almost completed and the loan drawdowns will be done in December 2022. Kavod made a \$350,000 principal payment in October 2022 and another will be made in June 2023.
- Capital expenditures/repair & maintenance will be higher in 2023. The current budget is \$923,433, which is allocated for elevator and lighting upgrades, fire pump replacement for East and South building. , IT upgrades. These capital projects will be covered by operating funds.

Potential factors that may influence the budget significantly:

- Positive:
 - Six units in the South building will be available to be leased starting January 2023. These units were off line in 2022 due to construction.
 - Rent study done in 2022 could increase Section 8 rents significantly. The new rent amounts will be submitted to HUD in November of 2022. HUD/CHFA should approve the rents by January 2023. The numbers for the RCS are not included in the budget.
 - Lower insurance costs and reduced Covid-19 operating costs.
- Negative:
 - Rising costs and the effects of inflation on goods Kavod is purchasing could increase the dining and facilities budget.
 - Occupancy for Assisted Living units may be lower, the market rate units have been harder to fill in the last couple of years.
 - Labor costs and the higher minimum wage, may be impacted if Kavod continues to see a tight labor market and higher starting wages to higher entry level staff and related impact on wage compression.
 - An additional 2022 budget item at risk is the estimated grant revenue of \$286,700. This number is very difficult to predict and can come in much lower than budget.

Revenue highlights:

Total revenue is projected at \$11,510,132, an increase of \$395,588 compared to the 2022 budget.

- Overall, Kavod management foresees increasing revenue in most operational areas including rental rates, food service, and the resident meal program.
- Rent (less the vacancy factor) will increase \$348,337 for Independent Living residents. The OCAF adjustment for affordable rental income will take effect in April 2023, projected to be 2.1% based upon estimates from CHFA. Independent market rate units are budgeted for a 3% increase. The 2022 budget included six vacant units in the South building, these units are able to be leased now.

- Dining/Food Service revenue is projected to increase by 3.77% starting February 2023 due to a slight raise in resident costs of \$8/month (from \$248 to \$256/month), a small increase in the Assisted Living dining allocation.
- Assisted Living shows a 2.8% increase compared to the 2022 budget. Market units will increase by 3%.
- Activity/Life Enrichment revenue will be lower than budget. Kavod activities have been slow to open and fully function.
- Nonprofit revenue from fundraising and donations is budgeted to increase by 5.19% from the 2022 budget.
- As mentioned previously, grant revenue for 2022 is expected at \$286,700, which is lower than 2022. A detailed list of all possible grants is attached to the budget summary.
- Other revenue including rent from commercial tenants is expected to decrease 10.58% due to loss of the beauty shop revenue.

Expenses:

Operating expenses are budgeted to increase from the 2022 budget by 2.8% to \$9,574,307

- Total Administrative Salaries and Benefits are predicted to increase less than 2.4% from the 2022 budget due to wage increases discussed above. This category will see between a 6-8% merit salary increases in 2023.
 - Lower front desk wages and lower benefit utilization helped offset some of the costs. Front Desk wages were lower due to the elimination of screeners at each building.
 - Auditing fees for 2023 are \$20,851 lower than 2022. Comer Nowling our new firm costs came in much lower than Eide Bailly.
 - Benefits for admin employees were budgeted too high in 2022. The 2023 budget amount will cover the increased health insurance costs and more accurately reflect the true costs.
- Marketing costs are projected to remain flat for 2023.
- Total utilities should increase by 9.5%. Most utilities will see an increase in 2022 due to rising prices for commodities.
- Maintenance and Operations should see a 6.9% increase from the 2022 budget.
 - Overall costs for this category continue to rise. Both expense for materials and contract services continue to climb.
 - There is temp labor built in to the contract costs. We will have 3 temps working on turns and work orders.
- As mentioned above, property and casualty insurance rates will decreased with the 2022 renewal and are reflected in the 2023 budgeted amount.

- Dining Services expenses will see less than 1% increase in costs over 2022.
 - Higher labor and benefit costs are due to market conditions driving up wages for cooks and servers. In addition, the City of Denver will raise the minimum wage again in 2023.
 - Food costs are expected to go up from 2022 budget and actual, dining is constantly looking at ways to reduce operating costs but food costs will see a small increase in 2023.
 - Paper product expenses will go up by 6.6% in 2023 due to cost of more eco-friendly products and higher general product cost.
- The Assisted Living (AL) budget will increase by 4.2% due to higher wages and benefits.
 - The Caregiver payroll category has seen higher wage growth. Recruitment is difficult, additional money has been allocated for Kavod to be more competitive in hiring for this category.
- Total Program related costs including Activities/Life Enrichment, Resident Computer, and Service Coordinators is budgeted to increase 6.1%. The majority of the increase is in Activities, and Health and Wellness.
- Nonprofit costs will decrease 8.4% due to lower audit, COVID-19, and consulting expense costs. Most other expenses within the category will stay the same or increase slightly.

Capital Projects- include the following:

- Exterior Lighting-\$282,000 Enhance the security of all of the buildings
- Contingency - \$150,000
- Modernize South Elevator \$140,600. Money is available from the South replacement reserve and might be used to fund this project.
- Fire Pump East and South- \$90,000. This is a carryover from 2022. Existing pumps are leaking, parts are difficult to find.
- Modernize East small elevator \$75,200
- Carpet in East building-\$72,907
- Misc. small capital items-\$44,926
- Paint East Interior common areas \$44,400
- IT Upgrades - \$29,000

Non-Operating Costs - include the following:

- Interest Expense of \$476,156 versus a budgeted amount of \$424,060 in 2022.
- Depreciation of 1,148,392.
- Deferred compensation \$36,000.

Other Agenda Items:

○ **Kavod Foundation**

- Balance as of 3rd quarter of 2022: \$6,024,000 which is an unrealized decrease in value of 17% YTD. At this point Kavod is not looking at drawing money from the Foundation in 2023.

▪ **Free Cash Flow Projection**

- A free cash flow projection of \$646,836 was added to the bottom of the 2023 budget worksheet. This gives Kavod a better sense of cash used during the year. The free cash flow calculation is explained as follows:
 - The projection starts with net income of \$275,277
 - Add back depreciation expense of \$1,148,392 since this is a non-cash item
 - Add cash due from the IRS ERC credits \$883,000. This will be invested for future pay down of the MidFirst construction loan.
 - Subtract \$205,000 for future debt repayment of the MidFirst loan, and regular monthly principal payments of \$531,400 which are non-expense disbursements.
 - Subtract \$923,433 for the cash used for capital expenditures which are non-expense disbursements.

○ **Kavod MidFirst Loan Reserve**

- \$1 million has been set aside in 2019 and 2020, \$195,000 for 2021 and \$195,000 in 2022 and \$205,000 in 2023. The total reserve balance at the end of 2023 should be \$2,595,000.
- The loan balance will be \$14,738,000 at the end of 2022 and \$14,225,000 at the end of 2023.
- The MidFirst loan matures June 1, 2033. Kavod started making principal payments of \$350,000 per year in 2022.

Kavod Senior Life
Capital Project 2023

2023 Budget

EAST Building			
Modernize 4 floor hydro Elevator		\$ 75,200	
Paint		\$ 44,400	
Exterior Lighting		\$ 135,000	
Dining Software Upgrade/Tablets		\$ 15,000	
Recarpet/LVT hallways		\$ 72,907	
Fire Pump replacement (split between E. & S.)		\$ 45,000	
EAST Building		\$ 387,507	
WEST BUILDING			
Exterior Lighting		\$ 97,000	
Assisted Living Chairs		\$ 12,400	
WEST BUILDING		\$ 109,400	
SOUTH BUILDING			
Modernize both hydro Elevators		\$ 140,600	
Exterior Lighting		\$ 50,000	
Fire Pump (split between E. & S.)		\$ 45,000	
SOUTH BUILDING		\$ 235,600	
COMBINED PROJECTS (to be allocated)			
Contingency		\$ 150,000	estimated
TouchTown		\$ 11,926	
IT Server Upgrades		\$ 15,000	
Wi-Fi upgrades		\$ 14,000	
Total Combined Projects		\$ 190,926	
TOTAL BUILDINGS		\$ 923,433	

Capital	Expense
\$ 75,200	
\$ 44,400	
\$ 135,000	
\$ 15,000	
\$ 72,907	
\$ 45,000	
\$ 97,000	
\$ 12,400	
\$ -	
\$ 140,600	
\$ 50,000	
\$ 45,000	
\$ 150,000	
\$ 11,926	
\$ 15,000	
\$ 14,000	
\$ 923,433	\$ -

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	2023 Budget	2022 Budget	Variance	% Change	2022 Actual	2022 Budget	Variance	% Change
REVENUE								
5000-99-999 TOTAL RENT REVENUE	\$ 8,398,796	\$ 8,040,466	\$ 358,330	4.27%	\$ 8,083,266	\$ 8,040,466	\$ 42,800	0.5%
5000-40-400 TOTAL ADJUSTMENTS	-46,224	-43,104	(3,120)	6.75%	-62,443	-43,104	-19,339	31.0%
TOTAL TENANT CHARGES	14,579	21,452	(6,873)	-47.14%	9,406	21,452	-12,046	-128.1%
5000-99-999 TOTAL RENTAL INCOME	8,367,151	8,018,814	348,337	4.2%	8,030,229	8,018,814	11,415	0.1%
TOTAL FOOD SERVICE	1,200,250	1,155,001	45,249	3.77%	1,124,874	1,155,001	-30,127	-2.7%
5310-99-999 TOTAL ASSISTED LIVING REVENUE	1,140,848	1,108,850	31,998	2.80%	960,301	1,108,850	-148,549	-15.5%
5320-99-999 TOTAL ACTIVITY REVENUE	24,313	40,735	(16,422)	-67.54%	14,245	40,735	-26,490	-186.0%
5600-99-999 TOTAL NON-PROFIT REVENUE	463,496	439,425	24,071	5.19%	525,028	439,425	85,603	16.3%
5610-99-999 TOTAL GRANT REVENUE	286,700	321,450	(34,750)	-12.12%	42,657	321,450	-278,793	-653.6%
5900-99-998 TOTAL OTHER REVENUE	27,374	30,269	(2,895)	-10.58%	19,444	30,269	-10,825	-55.7%
5900-99-999 TOTAL REVENUE	11,510,132	11,114,544	395,588	3.4%	10,716,778	11,114,544	-397,766	-3.7%
6000-00-000 EXPENSES								
6000-99-999 TOTAL ADMIN SALARIES AND BENEFITS	1,755,139	1,728,434	26,705	1.52%	1,656,202	1,728,434	-72,232	-4.4%
6010-99-999 TOTAL PROFESSIONAL FEES	59,252	73,932	(14,680)	-24.78%	100,611	73,932	26,679	26.5%
6020-99-999 TOTAL MANAGEMENT FEE EXPENSE	12,048	12,050	(2)	-0.02%	12,050	12,050	0	0.0%
6040-99-998 TOTAL OTHER ADMINISTRATIVE EXPENSES	331,854	291,562	40,292	12.14%	315,576	291,562	24,014	7.6%
6040-99-999 TOTAL ADMINISTRATIVE EXPENSES	2,158,293	2,105,978	52,315	2.4%	2,084,439	2,105,978	-21,539	-1.0%
6100-99-999 TOTAL MARKETING AND ADVERTISING	63,565	63,550	15	0.02%	14,464	63,550	-49,086	-339.4%
6400-99-999 TOTAL UTILITY EXPENSES	404,577	366,080	38,497	9.52%	388,221	366,080	22,141	5.7%
6500-99-999 TOTAL REPAIRS AND MAINTENANCE EXPENSES	1,047,365	1,013,773	33,592	3.21%	987,488	1,013,773	-26,285	-2.7%
6510-99-999 TOTAL MATERIALS	283,302	250,972	32,330	11.41%	262,355	250,972	11,383	4.3%
6520-99-998 TOTAL CONTRACT COSTS	740,609	664,515	76,094	10.27%	707,850	664,515	43,335	6.1%
6520-99-999 TOTAL MAINTENANCE AND OPERATIONAL EXPENSES	2,071,276	1,929,260	142,016	6.9%	1,957,693	1,929,260	28,433	1.5%
6700-99-999 TOTAL TAXES AND INSURANCE	395,048	423,157	(28,109)	-7.12%	429,891	423,157	6,734	1.6%
6900-99-999 TOTAL FOOD SERVICE	1,758,182	1,752,453	5,729	0.33%	1,570,636	1,752,453	-181,817	-11.6%
6910-99-999 TOTAL ASSISTED LIVING EXPENSE	983,808	942,005	41,803	4.25%	883,168	942,005	-58,837	-6.7%
6920-99-999 TOTAL ACTIVITY PROGRAM EXPENSE	563,361	500,580	62,781	11.14%	438,948	500,580	-61,632	-14.0%
6930-99-999 TOTAL RESIDENT COMPUTER CENTER	98,793	91,306	7,487	7.58%	90,614	91,306	-692	-0.8%
6940-99-999 TOTAL SERVICE COORDINATOR EXPENSE	401,157	402,632	(1,475)	-0.37%	380,945	402,632	-21,687	-5.7%
7009-99-999 TOTAL OTHER INCOME / EXPENSE	100	75	25	25.00%	-72	75	-147	204.2%
8000-99-999 TOTAL NON-PROFIT EXPENSES	676,147.0	732,854	(56,707)	-8.39%	723,104	732,854	-9,750	-1.3%
8999-99-998 TOTAL OPERATING EXPENSES	9,574,307	9,309,930	264,377	2.8%	8,962,051	9,309,930	-347,879	-3.9%
8999-99-999 NET OPERATING INCOME / LOSS	1,935,825	1,804,614	131,211	6.8%	1,754,727	1,804,614	-49,887	-2.8%
9019-99-999 TOTAL NON-OPERATING EXPENSES	1,660,548	1,480,577	179,971	10.8%	1,547,578	1,480,577	67,001	4.3%
9999-99-998 NET INCOME / LOSS	\$ 275,277	\$ 324,037	\$ (48,760)	-17.7%	\$ 207,149	\$ 324,037	\$ (116,888)	-56.4%
Add back:								
Depreciation Expense	\$ 1,148,392	\$ 1,056,517	\$ 91,875					
IRS ERC Credit Receivable	883,000	0	883,000					
Less:								
MidFirst Loan Reserve	205,000	195,000	10,000					
MidFirst Loan Principal Payments	531,400	515,556	15,844					
Capital Expenditures	923,433	537,750	385,683					
Free Cash Flow	\$ 646,836	\$ 132,248	\$ 514,588					

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	2023 Budget	2022 Budget	Variance	% Var
5000-00-002	REVENUE			
5000-00-005	RENT REVENUE			
5000-10-100	\$ 1,783,842	\$ 1,689,274	\$ 94,568	5.3%
5000-10-200	6,578,375	6,351,192	\$ 227,183	3.5%
5000-99-999	8,398,796	8,040,466	358,330	4.3%
5010-00-000	ADJUSTMENTS			
5010-00-400	(46,224)	-43,104	-3,120	6.7%
5010-00-999	-46,224	-43,104	-3,120	6.7%
5010-99-999	\$ 8,352,572	\$ 7,997,362	\$ 355,210	\$ 0
5020-00-000	TENANT CHARGES			
5020-00-040	7,954	8,600	-646	-8.1%
5020-00-120	6,625	12,852	-6,227	-94.0%
5020-99-999	14,579	21,452	-6,873	-47.1%
5300-00-000	FOOD SERVICE			
5300-00-100	1,055,400	1,013,653	41,747	4.0%
5300-00-300	14,500	6,200	8,300	57.2%
5300-00-400	-131,800	-124,000	(7,800)	5.9%
5300-00-500	262,150	259,148.00	3,002	1.1%
5300-00-999	1,200,250	1,155,001.34	45,249	3.8%
5310-00-000	ASSISTED LIVING REVENUE			
5310-00-100	621,004	635,000.00	(13,996)	-2.3%
5310-00-200	207,396	171,400.00	35,996	17.4%
5310-00-300	312,448	302,450.00	9,998	3.2%
5310-99-999	1,140,848	1,108,850.00	31,998	2.8%
5320-00-000	ACTIVITY REVENUE			
5320-00-100	15,603	18,796	(3,193)	-20.5%
5320-00-300	640	740	(100)	-15.6%
5320-00-500	8,070	21,199	-13,129	-162.7%
5320-99-999	24,313	40,735	(16,422)	-67.5%
5600-00-000	NON-PROFIT REVENUE			
5600-10-200	238,800	238,800	0	0.0%
5600-30-170	1,200	2,600	-1,400	-116.7%
5600-30-180	12,900	8,400	4,500	34.9%
5600-30-190	210,596	189,625	20,971	10.0%
5600-99-999	463,496	439,425	24,071	5.2%
5610-00-000	GRANT REVENUE			
5610-00-200	286,700	321,450	-34,750	-12.1%
5610-99-999	286,700	321,450	(34,750)	-100.00
5900-00-000	OTHER REVENUE			
5900-00-100	3,852	3,857	-5	-0.1%
5900-00-400	18,400	20,800	-2,400	-13.0%
5900-00-500	5,122	5,612	-490	-9.6%
5900-99-998	27,374	30,269	(2,895)	-10.6%
5900-99-999	11,510,132	11,114,545	395,587	-99.98
6000-00-002	ADMIN SALARIES AND BENEFITS			
6000-00-010	69,800	63,597	6,203	8.9%
6000-00-100	207,176	185,397	21,779	10.5%
6000-00-200	152,682	206,210	-53,528	-35.1%
6000-00-500	148,730	140,478	8,252	5.5%
6000-00-600	691,568	591,855	99,713	14.4%
6000-10-100	14,400	14,400	0	0.0%
6000-10-200	59,039	73,856	-14,817	-25.1%
6000-10-300	87,552	91,522	-3,970	-4.5%
6000-10-400	5,852	6,129	-277	-4.7%
6000-10-500	199,749	231,539	-31,790	-15.9%
6000-10-500	15,096	13,350	1,746	11.6%
6000-25-100	7,452	15,100	-7,648	-102.6%
6000-30-100	41,004	41,000	4	0.0%
6000-30-200	38,003	38,000	3	0.0%
6000-30-400	11,004	11,000	4	0.0%
6000-30-500	3,280	2,501	779	23.8%
6000-30-800	2,752	2,501	251	9.1%
6000-99-999	1,755,139	1,728,434	26,705	1.5%

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	2023 Budget	2022 Budget	Variance	% Var	
6010-00-000	PROFESSIONAL FEES				
6010-00-200	Auditing Fees	37,338	58,189	(20,851)	-55.8%
6010-00-500	General Legal Expense	21,914	15,743	6,171	28.2%
6010-99-999	TOTAL PROFESSIONAL FEES	59,252	73,932	(14,680)	-24.8%
6020-00-000	MANAGEMENT FEE EXPENSE				
6020-00-100	Management Fee	238,800	238,800	-	0.0%
6020-00-200	Management Salary/Benefits	-226,752	-226,750	-2	0.0%
6020-99-999	TOTAL MANAGEMENT FEE EXPENSE	12,048	12,050	(2)	0.0%
6040-00-000	OTHER ADMINISTRATIVE EXPENSES				
6040-00-040	Other Renting Expense	35,138	18,562	16,576	47.2%
6040-00-070	Membership and Fees	35,113	33,316	1,797	5.1%
6040-00-100	Travel	2,217	2,094	123	5.5%
6040-00-140	Telephone	47,518	39,925	7,593	16.0%
6040-00-150	Supplies/Postage/Courier	64,663	70,651	(5,988)	-9.3%
6040-00-190	Software	40,000	32,033	7,967	19.9%
6040-00-200	Hardware	17,999	14,911	3,088	17.2%
6040-00-210	R/M CIS Services	39,689	30,851	8,838	22.3%
6040-00-270	Misc Administrative Fees	40,344	40,354	-10	0.0%
6040-00-290	Bank Fees	1,995.00	1,165	830	41.6%
6040-00-310	Board Event Expenses	6,278.00	6,500	-222	-3.5%
6040-00-900	Other Misc Admin Expenses	900.00	1,200	-300	-33.3%
6040-99-998	TOTAL OTHER ADMINISTRATIVE EXPENSES	331,854	291,562	40,292	12.1%
6040-99-999	TOTAL ADMINISTRATIVE EXPENSES	2,158,293	2,105,979	52,314	2.4%
6100-00-000	MARKETING AND ADVERTISING				
6100-00-100	Advertising - Ad Placement / Brochures	21,409	21,400	9	0.0%
6100-00-200	Advertising - Community Outreach	42,156	42,150	6	0.0%
6100-99-999	TOTAL MARKETING AND ADVERTISING	63,565	63,550	15	0.0%
6400-00-000	UTILITY EXPENSES				
6400-00-100	Electricity	203,700	186,903	16,797	8.2%
6400-00-200	Gas	86,641	73,283	13,358	15.4%
6400-00-400	Water	39,241	38,622	619	1.6%
6400-00-500	Sewer	74,995	67,271	7,724	10.3%
6400-99-999	TOTAL UTILITY EXPENSES	404,577	366,080	38,497	9.5%
6500-00-000	MAINTENANCE AND OPERATIONAL EXPENSES				
6500-00-001	REPAIRS AND MAINTENANCE				
6500-00-100	Labor - Housekeeping Staff	168,751	190,219	-21,468	-12.7%
6500-00-200	Labor - Housekeeping Supervisor	65,472	64,568	904	1.4%
6500-00-300	Labor - Maintenance Manager	220,641	198,746	21,895	9.9%
6500-00-400	Labor - Maintenance Staff	234,379	202,839	31,540	13.5%
6500-00-600	Labor - Security	107,522	95,792	11,730	10.9%
6500-10-200	Maintenance - Payroll Taxes - SUTA/FUTA	61,516	57,934	3,582	5.8%
6500-10-300	Maintenance - Workers Comp Expense	16,845	19,184	-2,339	-13.9%
6500-10-400	Maintenance - Benefits	108,773	120,850	-12,077	-11.1%
6500-20-100	Maintenance - Temporary Help	35,007	35,001	6	0.0%
6500-20-300	Maintenance - Mileage	609	1,410	-801	-131.6%
6500-20-400	East/West/South - Special Project	17,846	23,089	-5,243	-29.4%
6500-20-500	Maintenance Licenses and Fees	10,004	4,141	5,863	58.6%
6500-99-999	TOTAL REPAIRS AND MAINTENANCE EXPENSES	1,047,365	1,013,773	33,592	3.2%
6510-00-000	MATERIALS				
6510-00-100	Supplies - Grounds	6,501	0	6,501	100.0%
6510-00-300	Supplies - Decorating	1,800	1,742	58	3.2%
6510-00-700	Supplies - Maint / Repairs	275,001	249,230	25,771	9.4%
6510-99-999	TOTAL MATERIALS	283,302	250,972	32,330	11.4%
6520-00-000	CONTRACT COSTS				
6520-00-030	Contract - Building Repairs	437,771	379,970	57,801	13.2%
6520-00-070	Contract - Pest Control	38,791	25,001	13,791	35.6%
6520-00-090	Contract - Grounds	33,911	31,890	2,021	6.0%
6520-00-100	Contract - Janitorial/Cleaning	51,155	75,001	-23,846	-46.6%
6520-00-170	Contract - Elevator Monitoring	33,950	43,355	-9,405	-27.7%
6520-00-220	Contract - Snow	22,000	16,329	5,671	25.8%
6520-00-230	Contract - Trash	85,031	59,742	25,290	29.7%
6520-00-240	Contract - Life Safety / Security	38,000	33,227	4,773	12.6%
6520-99-998	TOTAL CONTRACT COSTS	740,609	664,515	76,094	10.3%
6520-99-999	TOTAL MAINTENANCE AND OPERATIONAL EXPENSES	2,071,276	1,929,260	142,016	6.9%

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	2023 Budget	2022 Budget	Variance	% Var
6700-00-000 TAXES AND INSURANCE				
6700-00-040 Property Insurance	383,154	410,474	-27,320	-7.1%
6700-00-070 Licenses and Fees	11,894	12,683	-789	-6.6%
6700-99-999 TOTAL TAXES AND INSURANCE	395,048	423,157	-28,109	-7.1%
6900-00-000 FOOD SERVICE				
6900-00-020 Labor - Hourly Cooks	400,260	396,444	3,816	1.0%
6900-00-030 Labor - Hourly Servers	242,469	256,398	-13,929	-5.7%
6900-00-040 Labor - Assistant Manager	104,531	112,355	-7,824	-7.5%
6900-00-050 Labor - Catering	11,340	10,500	840	7.4%
6900-00-060 Labor - Special Staffing	8,000	8,000	0	0.0%
6900-00-070 Labor - Outside Services Labor Expense	50,000	27,000	23,000	46.0%
6900-00-300 Food - Payroll Taxes	54,239	56,300	-2,061	-3.8%
6900-00-400 Food - Workers Comp Expense	14,398	21,400	-7,002	-48.6%
6900-00-500 Food - Employee Benefits	98,384	111,200	-12,816	-13.0%
6900-00-610 Food - Food and Beverage Expense	653,400	640,601	12,799	2.0%
6900-00-620 Food Paper Products Expense	74,500	69,555	4,945	6.6%
6900-00-630 Housekeeping Supplies / Service Expense	8,004	8,000	4	0.0%
6900-00-640 Laundry / Linen Expense	10,241	6,500	3,741	36.5%
6900-00-650 Equipment Expense	15,000	15,000	0	0.0%
6900-00-660 Uniforms	9,200	9,200	0	0.0%
6900-00-670 Decorating Expense	4,216	4,000	216	5.1%
6900-99-999 TOTAL FOOD SERVICE	1,758,182	1,752,453	5,729	0.3%
6910-00-000 ASSISTED LIVING EXPENSE				
6910-00-010 Labor - Manager	78,992	76,492	2,500	3.2%
6910-00-020 Labor - Care Givers / CC / Aides	478,040	463,555	14,485	3.0%
6910-00-300 AL - Payroll Taxes	45,463	38,483	6,980	15.4%
6910-00-400 AL - Workers Comp Expense	8,600	11,825	-3,225	-37.5%
6910-00-500 AL - Employee Benefits	85,500	64,500	21,000	24.6%
6910-10-000 Medical - Required Testing	1,555	2,300	-745	0.0%
6910-10-010 AL - Food / Beverage Expense	266,400	254,400	12,000	4.5%
6910-10-020 Medication Set-ups	1,200	1,200	0	0.0%
6910-10-050 Misc Other Supplies	3,204	5,000	-1,796	-56.1%
6910-10-060 Recreation / Rehabilitation	14,854	24,250	-9,396	-63.3%
6910-99-999 TOTAL ASSISTED LIVING EXPENSE	983,808	942,005	41,803	4.2%
6920-00-000 ACTIVITY PROGRAM EXPENSE				
6920-00-010 ACT - Newsletter	36,753	26,749	10,004	27.2%
6920-00-020 ACT - Activities Staff	233,500	223,045	10,455	4.5%
6920-00-030 ACT - Activities Outreach- Volunteer - Bday	18,996	19,000	-4	0.0%
6920-00-040 ACT - Classes Expense	16,814	14,375	2,439	14.5%
6920-00-050 ACT - Health / Wellness Expense	49,902	26,969	22,933	46.0%
6920-00-060 ACT - Activities / Outings Expense	57,608	60,999	-3,391	-5.9%
6920-00-300 ACT - Payroll Taxes	16,976	16,308	668	3.9%
6920-00-400 ACT - Workers Comp Expense	6,302	5,008	1,294	20.5%
6920-00-500 ACT - Employee Benefits	66,380	56,224	10,156	15.3%
6920-00-510 Gift Shop Expense	2,195	2,200	-5	-0.2%
6920-00-520 Van Expense	17,351	10,000	7,351	42.4%
6920-00-550 ACT - AL Activities	38,589	36,901	1,688	4.4%
6920-00-560 ACT - Family Events	1,995	2,802	-807	-40.4%
6920-99-999 TOTAL ACTIVITY PROGRAM EXPENSE	563,361	500,580	62,781	11.1%
6930-00-000 RESIDENT COMPUTER CENTER				
6930-00-010 Labor - RCC Staff	75,430	69,333	6,097	8.1%
6930-00-300 RCC - Payroll Taxes	5,878	5,405	473	8.0%
6930-00-400 RCC - Workers Comp Expense	1,940	1,942	-2	-0.1%
6930-00-500 RCC - Employee Benefits	15,545	14,625	920	5.9%
6930-99-999 TOTAL RESIDENT COMPUTER CENTER	98,793	91,306	7,487	7.6%
6940-00-000 SERVICE COORDINATOR EXPENSE				
6940-00-010 Labor - Service Coordinator	310,776	301,124	9,652	3.1%
6940-00-300 SC - Payroll Taxes	25,519	24,815	704	2.8%
6940-00-400 SC - Workers Comp Expense	5,450	6,646	-1,196	-21.9%
6940-00-500 SC - Employee Benefits	59,412	70,047	-10,635	-17.9%
6940-99-999 TOTAL SERVICE COORDINATOR EXPENSE	401,157	402,632	-1,475	-0.4%
7000-00-100 OTHER INCOME / EXPENSE				
7000-00-300 Dividend Income	100	75	25	25.0%
7009-99-999 TOTAL OTHER INCOME / EXPENSE	100	75	25	25.0%
8000-00-010 NON-PROFIT EXPENSES				
8000-00-020 Accounting Services	6,500	9,948	-3,448	-53.0%

**Allied Housing Inc. Consolidated
Draft 2023 Budget
As of 12/01/2022**

12/7/2022 11:29 AM

	2023 Budget	2022 Budget	Variance	% Var	
8000-00-050	Ala Carte Labor	7,100	6,550	550	7.7%
8000-00-060	Annual Board Meeting	2,000	1,500	500	25.0%
8000-00-070	Director of Development	90,400	86,319	4,081	4.5%
8000-00-080	Bank Fees	7,185	6,700	485	6.8%
8000-00-100	COVID Expenses	2,300	36,125	-33,825	-1470.7%
8000-00-120	Chaplain Services	87,800	82,400	5,400	6.2%
8000-00-130	Charity / Donations	750	400	350	46.7%
8000-00-140	KOTR Program Expense	104,862	113,762	-8,900	-8.5%
8000-00-150	Consulting Expense - Other	15,000	41,000	-26,000	-173.3%
8000-00-180	Fundraising Expense	61,500	60,400	1,100	1.8%
8000-00-220	Grant Writing Expense	42,000	40,000	2,000	4.8%
8000-00-330	Management Salary / Benefit Exp	226,750	226,750	0	0.0%
8000-00-410	Other/Outside Religious Services	22,000	21,000	1,000	4.5%
8000-99-999	TOTAL NON-PROFIT EXPENSES	676,147	732,854	-56,707	-8.4%
8999-99-998	TOTAL OPERATING EXPENSES	9,574,306	9,309,930	264,376	2.8%
8999-99-999	NET OPERATING INCOME / LOSS	1,935,826	1,804,614	131,211	6.8%
9010-00-000	NON-OPERATING EXPENSES				
9010-10-100	Interest Expense - Note Payable MF	476,157	424,060	52,097	10.9%
9010-20-100	Depreciation - Buildings	1,148,392	1,056,517	91,875	8.0%
9010-90-999	Deferred Comp Expense	36,000	0	36,000	100.0%
9019-99-999	TOTAL NON-OPERATING EXPENSES	1,660,549	1,480,577	179,972	10.8%
9999-99-998	NET INCOME / LOSS	\$ 275,277	\$ 324,037	\$ (48,761)	-17.7%

AHI
2023 Budget Comparison
As of December 01, 2022

12/7/2022 11:29 AM

	2023 Budget	2022 Budget	2021 Budget	Variance	% Change	2022 Annualized	2022 YTD Budget	Variance	% Change	
5600-00-000	NON-PROFIT REVENUE									
5600-10-200	\$ 238,800	\$ 238,800	\$ 238,800	\$ -	0.0%	\$ 238,800	\$ 238,800	\$ -	0.0%	
5600-30-170	1,200	2,600	2,600	(1,400)	-116.7%	3,098	2,600	498	0.0%	
5600-30-180	12,900	8,400	8,400	4,500	34.9%	12,163	8,400	3,763	30.9%	
5600-30-190	210,596	189,625	175,075	20,971	10.0%	221,400	189,625	31,775	14.4%	
5600-99-999	463,496	439,425	424,875	14,550	5.5%	475,461	439,425	36,036	7.6%	
5610-00-000	GRANT REVENUE									
5610-00-200	286,700	289,700	257,851	(3,000)	-1.0%	92,800	289,700	(196,900)	-212.2%	
5610-99-999	286,700	289,700	257,851	31,849	-1.0%	92,800	289,700	(196,900)	-212.2%	
5900-99-999	750,196	729,125	682,726	46,399	2.9%	568,261	729,125	(160,864)	-28.3%	
7000-00-100	OTHER INCOME / EXPENSE									
7000-00-300		75	0	75	100.0%	0	75	(75)	0.0%	
7009-99-999	75	75	0	75	0.0%	0	75	75	0.0%	
8000-00-010	NON-PROFIT EXPENSES									
8000-00-020	6,500	12,750	12,750	(6,250)	-96.2%	7,400	5,000	2,400	32.4%	
8000-00-050	7,100	6,550	6,550	550	7.7%	2,850	6,550	(3,700)	-129.8%	
8000-00-060	2,000	1,500	1,500	500	25.0%	985	1,500	(515)	0.0%	
8000-00-070	90,400	86,319	82,209	4,081	4.5%	87,415	86,319	1,096	1.3%	
8000-00-080	7,185	6,700	1,300	485	6.8%	4,150	6,700	(2,550)	-61.4%	
8000-00-100	2,300	36,125	176,417	(33,825)	-1470.7%	11,700	36,125	(24,425)	-208.8%	
8000-00-120	87,800	82,400	64,500	5,400	6.2%	81,700	82,400	(700)	-0.9%	
8000-00-130	750	400	400	350	46.7%	250	400	(150)	0.0%	
8000-00-140	104,862	113,762	113,162	(8,900)	-8.5%	61,400	113,762	(52,362)	-85.3%	
8000-00-150	15,000	19,000	24,000	(4,000)	-26.7%	39,000	19,000	20,000	51.3%	
8000-00-180	61,500	60,400	61,500	1,100	1.8%	51,850	60,400	(8,550)	-16.5%	
8000-00-220	42,000	38,500	36,500	3,500	8.3%	38,500	38,500	-	0.0%	
8000-00-330	226,750	226,750	226,750	-	0.0%	226,750	226,750	-	0.0%	
8000-00-410	22,000	21,000	16,300	1,000	4.5%	9,125	21,000	(11,875)	-130.1%	
8000-99-999	676,147	712,156	823,838	(111,682)	-5.1%	623,075	712,156	(89,081)	-14.3%	
8999-99-998	676,147	712,156	823,838	(111,682)	-5.1%	623,075	712,231	(89,156)	-14.3%	
9019-99-999	36,000	-	823,838	(823,838)	#DIV/0!	36,000	-	36,000	0.0%	
8999-99-999	38,049	16,969	(141,112)	158,081	124.2%	(90,814)	16,894	(107,708)	118.6%	
9999-99-998	\$ 38,049	\$ 16,894	\$ (141,112)	\$ 158,006	55.6%	\$ (90,814)	\$ 16,894	\$ (107,708)	118.6%	

Foundation Name	FY2023
Next50	\$35,000
Daniels Fund	\$50,000
Jay and Rose Phillips	\$51,700
Rose Community Foundation	\$40,000
Robert Klein	\$10,000
Mernick	\$10,000
JEWISHcolorado	\$8,000
CHFA	\$10,000
Weinberg	\$25,000
LinkAGES	\$20,000
Telligen	\$2,000
Sephardic	\$10,000
Colorado Garden	\$5,000
AJAS	\$10,000
Total	\$286,700

**Allied Housing Inc. Consolidated
Projected 2023 Balance Sheet
As of 12/01/2022**

	Balance	Balance	Net
	12/31/2023	12/31/2022	Change
1000-00-001 ASSETS			
1000-00-003 CASH			
UNRESTRICTED CASH	8,763,591	8,071,662	691,929
1010-99-998 RESTRICTED CASH	7,450,169	7,450,169	0
1010-99-999 TOTAL CASH	16,213,760	15,521,831	691,929
1020-90-999 ACCOUNTS AND NOTES RECEIVABLE	717,793	1,600,793	-883,000
1100-00-999 PREPAID EXPENSES	68,434	68,434	0
1200-90-999 OTHER CURRENT ASSETS	12,901,893	12,901,893	0
1200-99-999 CURRENT ASSETS	13,688,120	14,571,120	0
1300-99-999 PROPERTY AND EQUIPMENT	37,585,546	36,380,546	1,205,000
1310-90-999 ACCUMULATED DEPRECIATION AND AMORTIZATION	-20,621,904	-19,473,512	-1,148,392
1310-99-999 NET PROPERTY AND EQUIPMENT	16,963,642	16,907,034	56,608
1399-99-998 OTHER NONCURRENT ASSETS	577,171	577,171	0
1999-99-999 TOTAL ASSETS	47,442,693	47,577,156	-134,463
2000-00-000 LIABILITIES AND EQUITY / FUND BALANCE			
2000-99-999 ACCOUNTS PAYABLE	208,706	208,706	0
2010-90-999 ACCRUAL PAYROLL AND BENEFITS	81,253	81,253	0
2020-99-998 OTHER CURRENT LIABILITES	1,544,152	2,158,892	-614,740
2020-99-999 CURRENT LIABILITIES	1,834,111	2,448,851	-614,740
2100-99-999 DEPOSITS AND PREPAID LIABILITIES	186,446	186,446	0
2500-99-999 MORTGAGE AND NOTES PAYABLE	15,028,593	14,823,593	205,000
2999-99-999 TOTAL LIABILITIES	17,049,150	17,458,890	-409,740
3000-99-999 CONTRIBUTED CAPITAL	904,139	904,139	0
3100-99-999 RESERVED FUND BALANCE	6,931,418	6,931,418	0
3600-99-997 RETAINED EARNINGS / FUND BALANCE	22,557,986	22,282,709	275,277
3999-99-998 EQUITY / FUND BALANCE	30,393,543	30,118,266	275,277
3999-99-999 TOTAL LIABILITIES AND EQUITY / FUND BALAN	47,442,693	47,577,156	-134,463



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
Fiscal Committee
AGENDA**

**Tuesday, December 6, 2022
8:00am VIA Zoom**

8:00am	Welcome	Connell Saltzman
8:02am	Construction Update	Kavod
8:17am	2023 budget discussion	Kavod Staff
8:30am	Eide Bailly 990 Discussion	Kyle-Eide Bailly
8:42am	Review of October 2022 Minutes	Connell Saltzman
8:45am	Overview of October 2022 FS	Mike Belieu
8:55am	Adjourn	Connell Saltzman





Fiscal Committee Meeting Minutes from November 15, 2022

Members Present: Connell Saltzman, Joey Simon, Perry Moss, Molly Zwerdinger, Gary Saltzman, and Brian Botnick.

Staff: Michael Klein, Tracy Kapaun, Christine Dewhurst, Courtney Smith, and Mike Belieu.

Guests: Michael Silverman and Max Reiner.

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

Max started by giving an update on the West Building, the fire sprinkler permit was approved by the Denver Fire Department on November 2, 2022. All three buildings have started their final inspections. The fire alarm inspections are still ongoing for East and South. Max then let the group know that Kavod, Marx Okubo and Pinkard have a plan in place to fix the cooling issues in the South Building. Max went over the details of the plan. Overall, the heat is working well for all three buildings including South. The FCU issue have not had an effect with the heating of the building. Max then discussed the fire pump replacement for the East and South building; Kavod does have one bid that is acceptable and is waiting for a second bid before we move forward. Kavod is moving forward with replacing all wireless smoke detectors in the East and West buildings. Work on the smoke detectors will start after all final inspections are done. Max and Michael then left the call.

Mike next gave overview of the 2023 budget. He asked Christine to start with benefits and salary adjustments. She began with her external sources for the salary data and the various benefits that other organization offer in 2023. Kavod uses Employers Council, Colorado Nonprofit Association and Apartment Association of Metro Denver to gather information. This year Kavod is looking at a 9.66% increase in health insurance costs, while Dental and Vision will remain the same. Life and disability insurance rates were not in as of November 11. The overall trend is benefits going up and the number of companies offering a full range of employee benefits are going down. Christine then discussed the 2023 recommend salary increase of 6% starting January 1 and a 2% increase in the second quarter of 2023. This large increase is necessary to retain key staff and to be competitive in the job market.



Mike then covered high-level income and expense line items. Net Income is budgeted at \$357,463 versus the 2022-budgeted amount of \$324,037. Mike talked about the changes to the 2023 budget versus 2022 and highlighted key areas. He then talked about the categories that have the largest impact on the budget including the property and casualty rate decrease, higher rental revenue and increased salary expenses. A detailed 2023 Budget Talking Points memo was reviewed and the committee thanked Mike and staff for the diligence that went into providing this. The group had questions on some of the administration line items and the lack of increase in 2023. Mike and Connell discussed in detail the changes. Mike also mentioned that he will review the budget detail once more before the December Fiscal and board meeting.

Connell then discuss the September Financial statements and the dashboard that Mike produces each month. He talked about the lack of net income in September and how this effects the 2023 budget numbers. With no other questions asked, the group approved the August and September 2022 financial statements with the motion made by Perry and seconded by Gary. Motion passed.

The September 18 and October 19, 2022 Fiscal Meeting minutes were reviewed. The group approved the minutes with the motion made by Perry and seconded by Joey. Motion passed.

The next meeting is scheduled for Tuesday December 06, 2022 at 8:00 a.m. via Zoom conference call.



Notes to October 2022 Financial Statements

Prepared by Mike Belieu, CFO, Kavod Senior Life

I have prepared a summary of some key items on the October 2022 statements. These are preliminary numbers and subject to change.

October 2022:

- October net income is way below the budget amount. Below are the major factors:
 - \$15,406 in bad debt write off for residents that have moved out or have been evicted in the last 7 months
 - \$36,000 in deferred comp expensed in October, this was not budgeted in 2022
 - \$11,300 in additional costs for gas due to colder temperatures and timing of electric bill
 - \$8,214 in temp labor in Assisted Living. Staff were out due to sick and vacation time
 - \$8,963 for temp labor in Facilities to assisting in unit turns and work orders
 - Higher vacancy in both Assisted Living and independent units

Cash:

- Operating cash balance as of October 2022 is \$6,130,749 down from \$6,402,272 in September 2022. This balance includes operating cash at MidFirst and ANB Bank. The detail of the operating cash can be found on the Summary Cash Flow statement.
- \$4 million of operating cash has been invested with MidFirst. The money is invested in a money market and short-term treasury bills. The combined rate of return is 3.10%
- Total cash balance for October is \$9,140,803 versus \$9,403,551 in September 2022.

Balance Sheet changes YTD:

- Kavod made a \$350,000 principal payment in October to MidFirst Bank to pay down construction loan.
- Property and Equipment increased with additional Pinkard draws.
- Mortgage and Notes Payable increased with Pinkard draw funding adding to the MidFirst loan.

Statement of Activities:

- Through October 2022, net income is \$187,834 versus the budgeted net income of \$365,387.

Revenue:

- Total revenue YTD through October 2022 is \$8,932,158 compared to the budgeted amount of \$9,252,723 a difference of \$320,565 or 3 percent lower than projected.

- Rental revenue is higher than budget by \$32,683 through October 2022. As of October 30, 2022, there are 12 units vacant.
- Total Adjustment represent Night Managers unit rent that is considered vacancy or loss to lease and concessions given to lease market rate units.
- Total Tenant Charges is made up of laundry machine revenue, rent from CU Medicine, and Legacy.
- Dining/Food Service revenue is under budget YTD by \$25,191. There were 40 meal exceptions in October.
- Assisted Living revenue YTD is under budget by \$135,571 through October 2022, there are four market rate units available. October revenue was significantly under budget due to vacant units and bad debt write offs from previous months.
- Activity Revenue is down \$22,693 through October. Resident activities are still limited in scope due the department being down on staff member.
- Non-Profit/Contribution revenue is over budget by \$75,445 through October 2022. Kavod received a couple large donations in October.
- Grant revenue is under budget by \$235,882 through October. Kavod received a \$30,000 grant from Next Fifty in January 2022 and a \$1,993 grant from AJAS in February.
- Other Revenue is under budget \$9,356 and consists of interest income from investments and operating accounts along with misc. revenue from operations. Revenue from the salon is well below budget YTD. The space is vacant, Kavod is actively looking for a new tenant.

Expenses:

- Total operating expenses through October of 2022 were \$7,441,619 compared to the budgeted amount of \$7,656,939 a difference of \$215,320 or 3 percent lower than budget.
- Total Administrative Expenses are over budget \$2,693.
 - Admin salaries and benefits are lower than budget by \$60,610 through October 2022. Benefits are much lower than budget due to lower utilization. Training, Worker's comp, and Employee wellness all are lower than budget,
 - Professional Fees are over budget \$28,469. Legal is over budget for October and YTD. Kavod has one ongoing legal cases. Consultant expenses are higher than budgeted due to dining and HR consulting. Auditing fees are under budget through October.
 - Property management fees are at budget through October. 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.
 - Other Admin Expenses were \$34,834 over budget through October. October was higher due to security and bad debt write off from evicted tenant.

- Marketing & Advertising expenses came in \$25,332 under budget. Marketing is advertising for Kavod on the Road Conference and Assisted Living available units. The website was updated with enhanced security features.
- Utilities are over budget through October 2022 by \$26,827 due to higher costs for electricity and gas in December. Higher commodity prices caused the variance.
- The Maintenance and Operational category (including Repairs & Maintenance, Materials, and Contract Costs) is over budget by \$755. October like previous months had additional expenses painting of the West building interior hallways. There was two months of trash expense allocated to October.
- Taxes, License and Fees are over budget \$7,318. Insurance costs are over budget in YTD. Real Estate taxes were paid for the West Building in March.
- Food Service costs are under budget by \$99,336. YTD food costs are over than budget by \$10,119, In October, temp labor, food, and paper products were all over budget Dining is very short staff and if have a hard time finding quality cooks and servers.
- Assisted Living expenses are lower than budget by \$29,061 through October. AL used temporary labor during the month of October; most other categories are at budget or under budget.
- Activity, Resident Computer, and Service Coordinator expenses were under budget YTD through October by \$73,356. Kavod scaled back its resident programs starting in February due to COVID-19 and continue to have a reduced agenda. Benefit costs for Service Coordinators are under budget in October and YTD.
- Non-Profit costs are under budget by \$25,711. This line item is made up of COVID-19, Fundraising, Chaplain, and Kavod on the Road expenses.

Net Operating Income:

- Net Operating Income (NOI) came in lower than budget through October at \$1,490,539 versus the budgeted amount of \$1,595,784 a variance of \$105,245 or 7% lower than budget.

Non-Operating Revenue/Expenses and Other Information:

- Non-operating expenses including debt service came in \$72,308 over budget.
- Deferred Compensation was paid out in October- \$36,000.
- Depreciation came in higher due to recalculation of the amount from the year-end 2021 audit.
- Debt service expense was \$326,781 YTD versus a budget of \$349,967 a variance of \$23,185. Interest costs are lower than budget in October and YTD due to smaller loan balance MidFirst Bank.
- Kavod received a notice from MidFirst Bank regarding the required debt service loan covenants. As of December 2021, Kavod was out of compliance with the loan. MidFirst has decided to grant Kavod a one-time waiver of Default.



Capital Items:

- Capital items in October 2022 included new serving carts for dining, a deposit for elevator upgrades in South building and AL call button upgrade
- Pinkard Construction had a construction balance of \$9,493,736 for total project costs through the October 2022 pay app. Total to finish the job is \$869,072 excluding retainage. Retainage due to Pinkard for work completed through October equals \$784,039.

December 2, 2022

Please see below for the Kavod Senior Living project summary for the Fiscal Committee Call and Board Review.

A. PROJECT SCHEDULE

Construction resumed on May 18, 2021. **Project completion is anticipated by the end of January/early February 2023.**

Project construction is generally complete, with final inspections in process.

Remaining work includes fire sprinkler and alarm tenant improvement (TI) work in the East and South Buildings (under separate permit) and some contract go-back work in the South Building, swapping the Kidde smoke detectors to BRK-brand detectors at lower levels.

B. CURRENT CONCERNS:

Fan Coil Units (FCU) – South Building Heating/Cooling

FCU replacement is complete.

Kavod is in heating mode.

- Minimal residents have identified issues with the system, primarily resident training.
- Two units had issues with the part or set up, which has been resolved.

Kavod Cooling Issues:

- Final retesting of the FCU in a cooling load will not be possible until the summer of 2023.
- The project will still be under warranty, with the team committed to assisting and confirming cooling can be provided, per the revised drawings.

Marx|Okubo and Kavod's Consulting Engineer, MEA Engineering, have identified the open by-pass loop at each FCU, as well as the actual/provided flow rate (GPM) within the building system and at the FCU, as the primary issues resulting in decreased cooling capacity at residential units.

On-site Investigations and conversations identified the following issues:

- 1) The existing FCU that was removed in the bedroom had the piping looped based on direction from Property Management; this was not installed per plan. Within this loop, a shut-off valve was left in place and in an "open" state.
 - a. The shut-off valve was closed in all units, which, based on testing of the FCU, typically resulted in increased flow rates to the FCU.
- 2) The existing circulation pump motors were out of alignment and not capable of providing the full flow rate of 185 GPM to the system. per the existing design drawings.

Current Action Items:

Kavod:

- The two circulation pump motors are scheduled for replacement on December 8, 2022, due to failing bearings resulting from incorrect alignment.

Marx|Okubo:

- Create an amended/revised set of "As-Built" Mechanical Drawings.
 - Drawings were issued to Pinkard on November 30, 2022, and shared with subcontractors for review.
- Revisions may be required to make adjustments once the system flows are verified the week of December 16, 2022, in order to match field verified actual flow and capacity of the heating/cooling system.

Pinkard:

- Schedule system flow rate tests at piping adjacent to the pump and at all riser locations to verify actual GPMs available in the system.
 - Testing / verifying flow rates at the pump and at the risers is anticipated to occur on December 12 and 13, 2022.
- Go-back to all units and resetting the FCU circuit setters will be scheduled in late December 2022 or early January 2023 to adjust the GPM flow rates, as noted in the amended drawings.
- Schedule the test and balance of all seventh floor FCU units based on "As-Built" drawing revisions. Date and time are TBD.

Kavod- Heating:

Gordon has confirmed the boilers will provide 140 +/- degree F water to the FCU's for heating. However, these flow rates can adjust based on outside air temperature. The design team has indicated to Gordon that the boilers should be limited to 140 degrees F. Gordon/Kavod to reprogram boilers sequence of operations.

All:

Continue to evaluate flow test results and unit TAB results and determine if any design changes are necessary based on results.

- **Pinkard and Marx|Okubo are splitting the cost of the test and balance of the risers, resetting the FCU flow at the units, and testing of the seventh-floor FCUs.**

Smoke Detectors:

Approximately 57 wireless (Bluetooth connected), battery-operated smoke detectors have had an issue losing their communication pairing with the hardwired sync'd device. Generally, the issues occur when the two smoke detectors in a unit become disconnected and do not "communicate" with each other; therefore, they operate separately. **The battery-operated smoke detectors still functions;** however, there may be a delay in notifying/alarming a resident of an issue due to the lack of "communication".

The system is intended to signal both detectors, one in the bedroom and one in the living room, at the same time should any one-unit signal.

Smoke detector swap work in the East and West Buildings will begin after the Buildings have existing permits closed.

- The West Building is to tentatively start mid-December 2022, with the East Building to follow.
- The work is anticipated to take approximately one- and one-half months to complete; late January or early February 2023.

East/West Building – Smoke Detector Change Order:

The Kavod staff executed Change Order No. 13, for approximately \$193,000, which includes General Conditions and 44 schedule days. The change order includes approximately \$10,000 in material sprinkler cages, with installation labor included as part of the overall general condition costs. Reportedly, the labor to install the cages is approximately \$10,000. The request to install these cages, typically at residential unit closets, was per Kavod's Operations staff, and approved previously by Kavod staff.

This change order does not include the approximate \$33,000 in reimbursement from Kidde, which will be provided to Kavod upon receipt of the Kidde units.

The resulting cost for the smoke detector swap out is approximately \$155,000, after costs for sprinkler cages and reimbursements are deducted.

South Building – Smoke Detector Update:

Kavod approved an approximate \$10,000 change order (OCO No. 12) to replace the battery-operated smoke detector with a hardwired version. Additionally, the brands were changed from Kidde to BRK.

This work is complete, with the exception of 31 "go back" units, which will be completed when the units are entered to cap heat heads, scheduled for the week of December 9, 2022.

East/South Buildings - Fire Pump Replacement:

Marx|Okubo has received one bid from Arapahoe Fire. This bid has been shared with the Kavod staff. Another bid is anticipated upon completion of a forthcoming site visit by the second bidding contractor.

The bid cost to repair the pump is approximately \$16,000.

The cost to replace the pump is approximately \$75,000; the duration to complete a pump replacement is approximately 35 weeks due to design, permitting, and procurement.

This work does not affect the ability for Pinkard to receive a Temporary Certificate of Occupancy (TCO) for both the East and South Buildings, as the fire pump will provide the required water pressure at the roofs as needed with the current leak.

East/South Building - Fire Sprinkler and Fire Alarm Tenant Improvement Permit:

Frontier fire has identified a number of closets, and other ancillary spaces, in both the East and South Buildings, and the shared basement, that will require sprinklers and possible revision to the fire alarm drawings. Installation of this added equipment is underway.

The associated permit has been submitted to the city under a "Tenant Improvement" permit on September, 15, 2022, and is still under review by the City of Denver.

Related but separate, Marx|Okubo has reviewed, with TERP Consulting input, Frontier Fire proposed separate dry fire sprinkler system for the smoke shack (added \$17,000+ in costs). Marx|Okubo's recommendation is to take a "wait and see" approach to see if the Denver Fire Department (DFD) Inspectors raise any concern during their walks. Since this system would be a completely new project and separate permit there is no harm in waiting. Per Marx|Okubo's initial review, the existing building code and current building codes allow this structure to not be sprinklered; however, there are some building code regulations that could require modifications to the building relating its adjacency with East and South Buildings.

C. CONSTRUCTION STATUS

West Building Status:

NO ON-GOING CONSTRUCTION. All work is related to pre-inspection testing and/or City Final Inspections.

West Building City Final Inspection Process:

- Plumbing inspection of the fire sprinkler is complete and passed.
- Mechanical inspection is complete and passed.
- BDA system is tested, passed, and accepted by DFD.
- Electrical inspections are complete and passed, including fire alarm.
- **DFD PRVs were tested; inspected and passed**
- **DFD tested the fire pump; inspected and passed.**
- **DFD Unit Alarm Sound Test; Inspection was completed on November 30, 2022, and passed**

- **Elevator Inspection is on hold pending repair of the back-up generator water pump and clearing of trouble codes.**
 - **This work has been scheduled by Kavod Staff**
 - **Elevator inspection and testing will be scheduled shortly after the repairs.**

Final inspections are in progress and are anticipated through mid-December 2022.

East Building Status:

East Building City Final Inspection Process:

- Plumbing inspection of the fire sprinkler is complete and passed.
 -
- Installation of the fire alarm and fire sprinkler in Unit 913E remain to be completed.
- **Fire alarm inspections are scheduled to begin on December 13, 2022.**
- Installation of the fire alarm and fire sprinkler in TI spaces (basement closets) is ongoing.

City Final Inspections are in progress and estimated to continue through December 2022.

South Building Status:

South Building City Final Inspection Process:

- Plumbing inspection of the fire sprinkler is complete and passed.
- Electrical inspections are complete and passed, including fire alarm.
- Mechanical inspection is complete and passed.
 -
- Fire alarm and fire sprinkler installations in the elevators remain, and are being scheduled, anticipated to begin early January.
- Fire alarm and fire sprinkler installations on TI spaces (basement closets) is ongoing

City Final Inspections are in progress and estimated to continue through January 2023

Other construction is tied to completion of the punch list

Pinkard has smoke detector “go back” units on Levels 1 through 4.

- Smoke detector “go-back” work is being rescheduled to the same time as the heat detector head removal (31 units).

Pinkard has heat detector head removal at all units as “go back” work, which could not be completed until the new system operational.

- Dry sprinkler heads for the new system remain to be installed at common area patios. Installation was delayed due to product supply chain. The required sprinkler heads are delayed until the end of December with the work to follow.
- Final fire alarm installations and connections are in progress.

City final inspections are in progress and estimated to continue through January 2023.

D. CONSTRUCTION BUDGET

Pinkard has completed \$9,493,737 of work through October 31, 2022, including retainage. A total of \$85,031 is remaining on the contract, not including retainage.

Hard Costs complete are approximately 99%.

Budget Tracking**:

Pinkard Original Contract Amount	\$8,691,937
Executed Change Orders (No. 1 through 12)	\$886,931
Project Total Hard Costs (Executed)	\$9,578,770
Change Orders: Executed but Not Yet Included in Total Below	\$192,835 (approx.)
Includes: OCO No. 13 - Sprinkler Cages and Smoke Detectors (Not Included in “Potential Total Project Costs” Total Below, See Caveat)	\$192,835***
POTENTIAL TOTAL PROJECT COSTS*:	\$9,578,870

Contractor Hard Cost Contingency Remaining: \$0.00*

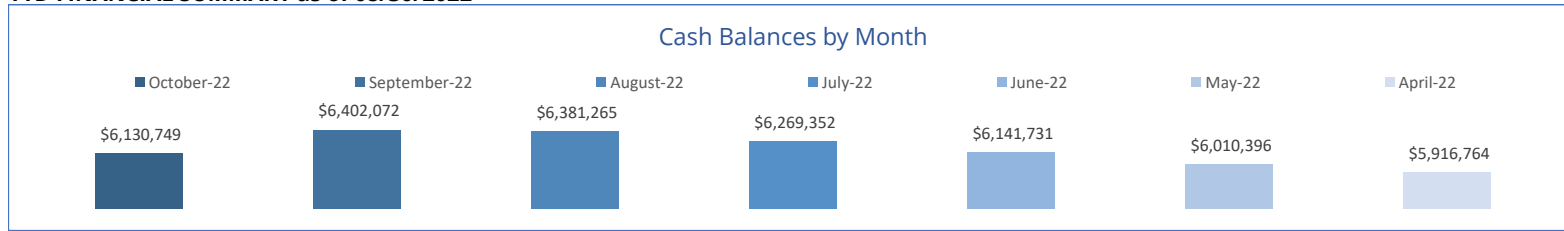
* Per the weekly OAC Meeting, all remaining Contractor Contingency has been utilized for various costs associated with the project, which were reviewed by Marx|Okubo and approved by Kavod staff. This use generally covers work through May 31, 2022. Any potential added contract costs will be added via change order going forward until project completion.

** Per agreement between Marx|Okubo, Pinkard, and Kavod, retainage release will begin with the November 2022 Hard Cost construction draw due to loan agreements between Kavod and Mid-First to be processed in December.

*** Per Kavod, this will be funded through the Operations budget and invoiced separately. This will be managed by Pinkard, however not included in the contracted budget amount.

KAVOD SENIOR LIFE

YTD FINANCIAL SUMMARY as of 08/30/2022



Cash Balances by Month - See Chart	October-22	September-22	August-22	July-22	June-22	May-22	April-22
Operating Cash on Hand	\$ 6,130,749	\$ 6,402,072	\$ 6,381,265	\$ 6,269,352	\$ 6,141,731	\$ 6,010,396	\$ 5,916,764
Total Cash	\$ 9,140,803	\$ 9,403,551	\$ 9,365,562	\$ 9,237,623	\$ 9,227,671	\$ 9,139,976	\$ 9,033,750

Net Income-YTD	October-22	September-22	August-22	July-22	June-22	May-22	April-22
Actual	\$ 187,834	\$ 216,113	\$ 229,378	\$ 147,042	\$ 237,509	\$ 117,254	\$ 41,707
Budget	\$ 365,387	\$ 285,309	\$ 210,837	\$ 147,884	\$ 227,341	\$ 145,738	\$ 87,717
Variance	\$ (177,553)	\$ (69,196)	\$ 18,541	\$ (842)	\$ 10,168	\$ (28,484)	\$ (46,010)

Kavod Meal Exceptions	October-22	September-22	August-22	July-22	June-22	May-22	April-22
Number of Residents	40	41	39	38	39	40	38

Occupancy Percentage	October-22	September-22	August-22	July-22	June-22	May-22	April-22
	96%	96%	96%	96%	96%	96%	96%

Vacant Units	October-22	September-22	August-22	July-22	June-22	May-22	April-22
Independent Living	12	10	9	8	12	10	9
Assisted Living	4	4	4	2	2	2	1
Total Vacant Units	16	14	13	10	14	12	10

Grant Revenue by Month	October-22	September-22	August-22	July-22	June-22	May-22	April-22
Actual	\$ 31,993	\$ 31,993	\$ 31,993	\$ 31,993	\$ 31,993	\$ 31,993	\$ 31,993
Budgeted	\$ 267,875	\$ 241,088	\$ 214,300	\$ 187,512	\$ 160,725	\$ 133,938	\$ 107,150
Variance	\$ (235,882)	\$ (209,095)	\$ (182,307)	\$ (155,519)	\$ (128,732)	\$ (101,945)	\$ (75,157)

MidFirst Construction Loan Balance	October-22	September-22	August-22	July-22	June-22	May-22	April-22
Drawn Down	\$ 15,777,577	\$ 15,554,177	\$ 15,332,122	\$ 15,110,822	\$ 14,827,394	\$ 14,606,511	\$ 13,725,413
Available	\$ 1,222,423	\$ 1,445,823	\$ 1,667,878	\$ 1,889,178	\$ 2,172,606	\$ 2,393,489	\$ 3,274,587
Total	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000	\$ 17,000,000
Debt Coverage Ratio	1.32	1.48	1.55	1.53	1.68		
Principal balance of the loan	\$ 14,297,578	\$ 14,424,578	\$ 14,202,523	\$ 13,595,227	\$ 13,595,227	\$ 13,277,546	\$ 13,277,546

Employees	October-22	September-22	August-22	July-22	June-22	May-22	April-22
Full time	\$ 55	\$ 55	\$ 55	\$ 55	\$ 58	\$ 59	\$ 59
Part time	\$ 27	\$ 27	\$ 27	\$ 27	\$ 27	\$ 27	\$ 23
Total	\$ 82	\$ 82	\$ 82	\$ 82	\$ 85	\$ 86	\$ 82

Open Positions-Full Time	3.00	3.00	3.00	3.00	2.00	3.00	3.00
Open Positions Part-Time	0.50	0.50	0.50	3.00	3.00	4.00	6.00

Kavod Senior Life Foundation	December-21	September-22	Change
Investment Balance	\$ 7,200,337	\$ 5,796,793	\$ (1,403,544)

Note: The Foundation balance will be updated quarterly.

Kavod Senior Life
Summary Statement of Activities (with PTD)
For the month ending October 2022

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	MTD Actual	MTD Budget	Variance	% Var	PTD Actual	PTD Budget	Variance	% Var	Annual
5000-99-999 TOTAL RENT REVENUE	\$ 673,449	\$ 682,296	\$ (8,847)	(1)	\$ 6,735,898	\$ 6,677,875	\$ 58,023	1	\$ 8,040,466
5000-40-400 TOTAL ADJUSTMENTS	-3,852	-3,592	-260	-7	-50,684	-35,920	-14,764	-41	-43,104
TOTAL TENANT CHARGES	179	1,821	-1,642	-90	7,234	17,810	-10,576	-59	21,452
5000-99-999 TOTAL RENTAL INCOME	669,776	680,525	-10,748	-2	6,692,448	6,659,765	32,683	0	8,018,814
TOTAL FOOD SERVICE	93,101	96,527	-3,426	-4	936,757	961,947	-25,191	-3	1,155,001
5310-99-999 TOTAL ASSISTED LIVING REVENUE	68,245	92,404	-24,159	-26	788,471	924,042	-135,571	-15	1,108,850
5320-99-999 TOTAL ACTIVITY REVENUE	569	3,495	-2,925	-84	11,253	33,946	-22,693	-67	40,735
5600-99-999 TOTAL NON-PROFIT REVENUE	61,612	28,444	33,168	117	455,383	379,938	75,445	20	439,425
5610-99-999 TOTAL GRANT REVENUE	0	26,788	-26,788	-100	31,993	267,875	-235,882	-88	321,450
5900-99-998 TOTAL OTHER REVENUE	1,271	2,549	-1,278	-50	15,854	25,211	-9,356	-37	30,269
5900-99-999 TOTAL REVENUE	894,575	930,731	-36,155	-4	8,932,158	9,252,723	-320,565	-3	11,114,545
6000-00-000 EXPENSES									
6000-99-999 TOTAL ADMIN SALARIES AND BENEFITS	116,911	128,381	11,470	9	1,359,062	1,419,672	60,610	4	1,728,435
6010-99-999 TOTAL PROFESSIONAL FEES	7,564	1,312	-6,253	-477	83,023	54,554	-28,469	-52	73,932
6020-99-999 TOTAL MANAGEMENT FEE EXPENSE	1,004	1,004	0	0	10,042	10,042	0	0	12,050
6040-99-998 TOTAL OTHER ADMINISTRATIVE EXPENSES	42,568	23,295	-19,273	-83	279,250	244,416	-34,834	-14	291,562
6040-99-999 TOTAL ADMINISTRATIVE EXPENSES	168,048	153,992	-14,055	-9	1,731,376	1,728,683	-2,693	0	2,105,980
6100-99-999 TOTAL MARKETING AND ADVERTISING	1,220	5,596	4,375	78	26,826	52,158	25,332	49	63,550
6400-99-999 TOTAL UTILITY EXPENSES	40,539	28,516	-12,023	-42	331,705	304,878	-26,827	-9	366,080
6500-99-999 TOTAL REPAIRS AND MAINTENANCE EXPENSES	83,324	79,131	-4,194	-5	790,190	824,425	34,235	4	1,013,773
6510-99-999 TOTAL MATERIALS	13,125	20,914	7,789	37	209,891	209,143	-748	0	250,972
6520-99-998 TOTAL CONTRACT COSTS	57,114	54,222	-2,892	-5	588,001	553,759	-34,242	-6	664,515
6520-99-999 TOTAL MAINTENANCE AND OPERATIONAL EXPENSES	153,563	154,266	703	0	1,588,083	1,587,328	-755	0	1,929,259
6700-99-999 TOTAL TAXES AND INSURANCE	37,531	35,263	-2,268	-6	359,949	352,631	-7,318	-2	423,157
6900-99-999 TOTAL FOOD SERVICE	153,994	138,998	-14,996	-11	1,331,971	1,431,307	99,336	7	1,752,453
6910-99-999 TOTAL ASSISTED LIVING EXPENSE	76,622	74,600	-2,021	-3	738,997	768,059	29,061	4	942,005
6920-99-999 TOTAL ACTIVITY PROGRAM EXPENSE	36,260	39,744	3,484	9	350,712	411,066	60,353	15	500,580
6930-99-999 TOTAL RESIDENT COMPUTER CENTER	7,014	7,126	112	2	74,974	74,156	-818	-1	91,306
6940-99-999 TOTAL SERVICE COORDINATOR EXPENSE	27,051	32,041	4,990	16	312,760	326,581	13,821	4	402,632
7009-99-999 TOTAL OTHER INCOME / EXPENSE	0	6	6	100	-54	62	116	186	75
8000-99-999 TOTAL NON-PROFIT EXPENSES	51,990	56,413	4,423	8	594,318	620,030	25,711	4	732,854
8999-99-998 TOTAL OPERATING EXPENSES	753,833	726,563	-27,270	-4	7,441,619	7,656,939	215,320	3	9,309,931
8999-99-999 NET OPERATING INCOME / LOSS	140,743	204,168	-63,425	-31	1,490,539	1,595,784	-105,245	-7	1,804,614
9019-99-999 TOTAL NON-OPERATING EXPENSES	169,022	124,090	-44,932	-36	1,302,706	1,230,397	-72,308	-6	1,480,577
9999-99-998 NET INCOME / LOSS	\$ (28,279)	\$ 80,078	\$ (108,358)	\$ (135)	\$ 187,834	\$ 365,387	\$ (177,553)	\$ (49)	\$ 324,037

Note: Activity, Resident Computer, and Service Coordinator Variance equals

\$ 73,356

Kavod Senior Life
Consolidated Cash Flow Statement
For the month ending October 2022

	Period to Date	%	Year to Date	%
REVENUE				
5000-99-999	\$ 673,449	75	\$ 6,735,898	75
5010-00-999	-3,852	0	-50,684	-1
5020-99-999	179	0	7,234	0
5300-00-999	93,101	10	936,757	10
5310-99-999	68,245	8	788,471	9
5320-99-999	569	0	11,253	0
5600-99-999	61,612	7	455,383	5
5610-99-999	0	0	31,993	0
5900-99-998	1,271	0	15,854	0
TOTAL REVENUE	894,575	100	8,932,158	100
EXPENSES				
6000-99-999	116,911	13	1,359,062	15
6010-99-999	7,564	1	83,023	1
6020-99-999	1,004	0	10,042	0
6040-99-998	42,568	5	279,250	3
6040-99-999	168,048	19	1,731,376	19
6100-99-999	1,220	0	26,826	0
6400-99-999	40,539	5	331,705	4
6500-99-999	83,324	9	790,190	9
6510-99-999	13,125	1	209,891	2
6520-99-998	57,114	6	588,001	7
6520-99-999	153,563	17	1,588,083	18
6700-99-999	37,531	4	359,949	4
6900-99-999	153,994	17	1,331,971	15
6910-99-999	76,622	9	738,997	8
6920-99-999	36,260	4	350,712	4
6930-99-999	7,014	1	74,974	1
6940-99-999	27,051	3	312,760	4
7009-99-999	0	0	-54	0
8000-99-999	51,990	6	594,318	7
TOTAL EXPENSES	753,833	84	7,441,619	83
NET OPERATING INCOME / LOSS	140,743	16	1,490,539	17
9010-90-650	36,000	4	36,000	0
TOTAL NON-OPERATING EXPENSES	169,022	19	1,302,706	15
NET INCOME / LOSS	-28,279	-3	187,834	2
ADJUSTMENTS				
1020-00-010	9,432	1	-11,396	0
1020-10-010	8,669	1	13,837	0
1020-20-010	4,212	0	18,476	0
1020-20-020	0	0	138,074	2
1020-40-010	-5	0	-35	0
1020-60-000	2,100	0	35,061	0
1100-00-100	36,381	4	307,641	3
1100-00-200	2,892	0	-2,941	0
1100-00-300	6,146	1	-10,921	0
1200-80-000	-89,451	-10	2,573,190	29
1300-20-100	0	0	-31,113	0
1300-20-200	-138,357	-15	-176,196	-2
1300-20-300	-5,861	-1	-5,861	0
1300-80-100	-253,799	-28	-2,615,772	-29
1310-20-100	96,542	11	939,924	11
2000-10-000	129,177	14	116	0
2010-10-000	1,412	0	7,409	0
2010-30-010	83	0	269	0
2010-30-070	-780	0	-7,684	0
2010-30-100	1,932	0	25,432	0

Kavod Senior Life
Consolidated Cash Flow Statement
For the month ending October 2022

	Period to Date	%	Year to Date	%	
2020-10-000	Accrued Interest - Mortgage	0	0	-12,294	0
2020-20-000	Accrued Utilites	7,960	1	4,323	0
2020-20-100	Sales Tax Payable	0	0	-26	0
2020-30-000	Due to Affiliates	89,451	10	-2,573,190	-29
2020-90-000	Misc Accrued Expenses	0	0	-367,729	-4
2100-10-100	Tenant Security Deposits	-2,270	0	5,762	0
2100-10-200	Security Deposit Interest	-1	0	-10	0
2100-10-400	Security Deposit - Pet	-300	0	600	0
2100-10-500	Security Deposit - Activities	0	0	-3,225	0
2100-10-700	Sec Dep Clearing Account	0	0	5	0
2100-20-000	Tenant Prepaid Rents	-1,264	0	-4,298	0
2500-10-100	Construction Loan	-164,813	-18	1,800,447	20
2500-10-150	Retention Payable	24,589	3	255,691	3
TOTAL ADJUSTMENTS		-235,924	-26	303,566	3
CASH FLOW		-264,204	-30	491,400	6

Period to Date	Beginning Balance	Ending Balance	Difference
1000-10-000 Petty Cash	1,499	1,499	0
1000-10-100 Cash Operating - Shared	306,098	401,341	95,243
1000-10-200 Operating	1,665,633	1,312,258	-353,374
1000-10-300 ANB West LLLP	100,286	100,303	17
1000-10-500 Food Service Ops	77,524	57,710	-19,814
1000-10-600 Assisted Living Ops	252,487	257,638	5,151
1000-20-000 Cash Savings	0	0	0
1000-20-100 Cash Savings 2	4,000,000	4,000,000	0
1000-30-000 Investment Accounts	2,077,616	2,077,616	0
1000-30-200 Cash Investment 3	18,123	18,123	0
1000-40-000 Cash Construction	0	0	0
1000-50-100 Cash Payroll	9,938	25,624	15,686
1000-50-200 Cash FSA	12,139	11,508	-631
1000-90-999 Cash - Other	0	0	0
1010-01-000 Security Deposit	178,829	172,294	-6,536
1010-01-100 ANB West LLLP 1839	256,399	256,454	54
1010-04-000 Cash Restricted - Reserve for Replacement	448,435	448,435	0
Total Cash	9,405,006	9,140,803	-264,204

Year to Date	Beginning Balance	Ending Balance	Difference	Cash Operating Balance as of October 31,2022
1000-10-000 Petty Cash	1,499	1,499	0	
1000-10-100 Cash Operating - Shared	437,583	401,341	-36,242	\$ 6,130,749
1000-10-200 Operating	4,760,140	1,312,258	-3,447,881	
1000-10-300 ANB West LLLP	100,235	100,303	68	
1000-10-500 Food Service Ops	2,769	57,710	54,941	
1000-10-600 Assisted Living Ops	374,423	257,638	-116,785	
1000-20-000 Cash Savings	0	0	0	
1000-20-100 Cash Savings 2	0	4,000,000	4,000,000	
1000-30-000 Investment Accounts	2,077,616	2,077,616	0	
1000-30-200 Cash Investment 3	18,123	18,123	0	
1000-40-000 Cash Construction	32,304	0	-32,304	
1000-50-100 Cash Payroll	-23,807	25,624	49,431	
1000-50-200 Cash FSA	-146	11,508	11,654	

Kavod Senior Life
Summary Balance Sheet (With Period Change)
For the month ending October 2022

	Beginning	Balance	Balance	Net
	Balance January 2022	Sep-22	Oct-22	Change
1000-00-001 ASSETS				
1000-00-003 CASH				
UNRESTRICTED CASH	\$ 7,780,740	\$ 8,519,888	\$ 8,263,620	\$ 482,880
1010-99-998 RESTRICTED CASH	868,663	883,664	877,182	8,519
1010-99-999 TOTAL CASH	8,649,403	9,403,551	9,140,803	491,400
1020-90-999 ACCOUNTS AND NOTES RECEIVABLE	1,163,871	994,263	969,855	(194,016)
1100-00-999 PREPAID EXPENSES	377,510	129,149	83,731	(293,779)
1200-90-999 OTHER CURRENT ASSETS	5,268,490	2,605,849	2,695,300	(2,573,190)
1200-99-999 CURRENT ASSETS	5,268,490	2,605,849	2,695,300	(2,573,190)
1300-99-999 PROPERTY AND EQUIPMENT	34,369,022	36,357,159	37,197,963	2,828,941
1310-90-999 ACCUMULATED DEPRECIATION AND AMORTIZATION	-18,555,053	-19,398,435	-19,494,977	(939,924)
1310-99-999 NET PROPERTY AND EQUIPMENT	15,813,969	16,958,724	17,702,986	1,889,017
1399-99-998 OTHER NONCURRENT ASSETS	114,711	114,711	114,711	-
1999-99-999 TOTAL ASSETS	31,387,954	30,206,248	30,707,384	(680,570)
2000-00-000 LIABILITIES AND EQUITY / FUND BALANCE				
2000-99-999 ACCOUNTS PAYABLE	252,480	121,964	252,595	115
2010-90-999 ACCRUAL PAYROLL AND BENEFITS	299,055	321,835	324,481	25,426
2020-99-998 OTHER CURRENT LIABILITES	4,845,062	1,798,735	1,896,146	(2,948,916)
2020-99-999 CURRENT LIABILITIES	5,396,597	2,242,534	2,473,222	(2,923,375)
2100-99-999 DEPOSITS AND PREPAID LIABILITIES	186,346	189,016	185,180	(1,166)
2500-99-999 MORTGAGE AND NOTES PAYABLE	12,792,833	14,546,408	14,848,971	2,056,138
				-
2999-99-999 TOTAL LIABILITIES	18,375,776	16,977,958	17,507,373	(868,403)
3000-99-999 CONTRIBUTED CAPITAL	904,139	904,139	904,139	-
3600-99-997 RETAINED EARNINGS / FUND BALANCE	12,108,038	12,324,152	12,295,872	187,834
3999-99-998 EQUITY / FUND BALANCE	13,012,177	13,228,291	13,200,011	187,834
3999-99-999 TOTAL LIABILITIES AND EQUITY / FUND BALANCE	\$ 31,387,954	\$ 30,206,248	\$ 30,707,384	\$ (680,570)

**Kavod Senior Life
MidFirst Refi Loan Tracking
As of December 1, 2022**

Total Loan	\$ 17,000,000	
Less Fees	\$ (120,580)	\$ (5,084,008)
South Loan Payoff	\$ (796,499)	\$ (3,915,992)
Line of Credit Payoff	\$ (18,815)	\$ (9,000,000)
East Loan Payoff	\$ (4,148,114)	

Loan Draw down amount \$ (5,084,008) **Advanced 01/19/2018**

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

Loan Advance	\$ 3,915,992	Advanced 01/19/2018
Loan Advance	743,858	Advanced 05/05/2020
Loan Advance	391,059	Advanced 06/20/2020
Loan Advance	223,247	Advanced 7/28/2020
Loan Advance	499,145	Advanced 8/27/2020
Loan Advance	340,505	Advance 9/25/2020
Loan Advance	197,289	Advance 10/27/2020
Loan Advance	184,619	Advance 12/15/2020
Loan Advance	111,259	Advance 8/07/2021
Loan Advance	453,838	Advance 10/12/2021
Loan Advance	116,953	Advance 11/02/2021
Loan Advance	688,188	Advance 12/28/2021
Loan Advance	365,983	Advance 01/31/2022
Loan Advance	196,532	Advance 02/18/2022
Loan Advance	163,938	Advance 03/22/2022
Loan Advance	213,938	Advance 04/29/2022
Loan Advance	318,181	Advance 05/27/2022
Loan Advance	479,625	Advance 07/27/2022
Loan Advance	177,452	Advance 08/25/2022
Loan Advance	221,500	Advance 09/22/2022
Loan Advance	222,055	Advance 09/22/2022
Total Advanced after loan closing	\$ 10,225,155	

Current Active Projects

Project Oversight	Total Budget	Revised Budget	Percentage		Available Budget	Total Spent	Supervising Entity
			Spent Complete	Work Complete			
Marx Okubo 1st Invoice	\$ 437,850	\$ 511,331	85%	88%	\$ 76,968	\$ (434,362.97)	Kavod
Marx Okubo 2nd Invoice	\$ (27,641)		. 1				

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)
Marx Okubo 24th Invoice	\$	(9,778)
Marx Okubo 25th Invoice	\$	(8,903)
Marx Okubo 26th Invoice	\$	(8,142)
Marx Okubo 27th Invoice	\$	(6,116)
Marx Okubo 28th Invoice	\$	(6,393)
Marx Okubo 29th Invoice	\$	(4,678)
Marx Okubo 29th Invoice	\$	(7,536)
Marx Okubo 30th Invoice	\$	(3,595)
Marx Okubo Nov-June Invoice	\$	(4,881)
Marx Okubo July Invoice	\$	(2,728)
Marx Okubo August 2021 Invoice	\$	(1,869)
Marx Okubo September 2021 Invoice	\$	(1,925)
Marx Okubo October 2021 Invoice	\$	(2,033)
Marx Okubo November 2021 Invoice	\$	(2,055)
Marx Okubo December 2021 Invoice	\$	(2,395)
Marx Okubo January 2022 Invoice	\$	(2,123)
Marx Okubo March 2022 Invoice	\$	(4,113)
Marx Okubo April 2022 Invoice	\$	(7,345)
Marx Okubo May 2022 Invoice	\$	(2,960)
Marx Okubo June 2022 Invoice	\$	(3,483)
Marx Okubo July 2022 Invoice	\$	(1,937)
Marx Okubo August 2022 Invoice	\$	(7,925)
Marx Okubo September 2022 Invoice	\$	(10,936)
Marx Okubo October 2022 Invoice	\$	(7,910)

This invoice includes fire suppression consulting work.

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

Fire/Sprinkler Consulting Jensen Hughes	\$	(5,496)	\$	36,500	\$	52,000	100%	2	100%	\$	2,325	\$	(49,675) Kavod
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Jensen Hughes	\$	(10,220)											
Jensen Hughes	\$	(17,134)											
Jensen Hughes	\$	(16,825)											
Project Complete													
Land Title Guaranty-Inspection Fees													
Land Title	\$	(10,600)	\$	-	\$	-	100%	100%	\$	-	\$	(10,600)	Kavod
This budget will come from contingency													
Asbestos Abatement													
W.E Anderson	\$	(10,154)	\$	408,000			100%	100%	\$	(34,000)	\$	(442,000)	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)											
W.E Anderson	\$	(65,098)	Project Complete										
W.E Anderson	\$	(29,516)											
W.E Anderson	\$	(40,249)											
W.E Anderson	\$	(37,521)											
W.E Anderson	\$	(22,008)											
W.E Anderson	\$	(45,697)											
Attorney Fees for Asbestos Abatement													
Gablehouse Granberg	\$	(3,888)	\$	5,000	\$	15,000	100%	100%	\$	3,104	\$	(11,896)	Kavod
Gablehouse Granberg	\$	(2,926)											
Gablehouse Granberg	\$	(963)											
Gablehouse Granberg	\$	(1,810)											
Gablehouse Granberg	\$	(1,386)	Project Complete										
Gablehouse Granberg	\$	(924)											
Architectural Fees													
Hord Coplan Macht, Inc-May	\$	(13,144)	\$	65,208			100%	100%	\$	793	\$	(64,415)	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-	\$	(3,292)											
Hord Coplan Macht, Inc-	\$	(1,646)											
Hord Coplan Macht, Inc-	\$	(4,938)											
Hord Coplan Macht, Inc-	\$	(1,646)											
West Building Rise Project													
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)	Project Complete										

Chiller Replacement

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)					
Project Complete-Project under budget						

Unit Mockups/Construction Management

Pinkard	\$ (16,199)	\$ 8,892,495	\$ 9,578,769	94%	94%	\$ 869,072	\$ (8,709,697) Kavod
Trane US	\$ -					Retainage	\$ (784,039)
December 2019-Pinkard Draw #2	\$ (54,598)					Total Costs	\$ (9,493,736)
December 2019-Pinkard Draw #3	\$ (282,918)						
January 2020-Pinkard Draw #4	\$ (511,070)						
February 2020-Pinkard Draw #5	\$ (525,478)						
March 2020-Pinkard Draw #6	\$ (828,810)						
April 2020-Pinkard Draw #7	\$ (391,059)						
May 2020-Pinkard Draw #8	\$ (223,247)						
June 2020-Pinkard Draw #9	\$ (328,556)						
July 2020-Pinkard Draw #10	\$ (499,145)						
August 2020-Pinkard Draw #11	\$ (340,505)						
September 2020-Pinkard Draw #12	\$ (197,289)						
October 2020-Pinkard Draw #13	\$ (184,619)						
June 2021-Pinkard Draw #15	\$ (111,259)						
July 2021-Pinkard Draw #16	\$ (233,784)						
August 2021-Pinkard Draw #17	\$ (220,054)						
September 2021-Pinkard Draw #18	\$ (256,734)						
October 2021-Pinkard Draw #19	\$ (230,436)						
November 2021-Pinkard Draw #20	\$ (457,751)						
December 2021-Pinkard Draw #21	\$ (365,483)						
January 2022-Pinkard Draw #22	\$ (196,032)						
February 2022-Pinkard Draw #23	\$ (163,438)						
March 2022-Pinkard Draw #24	\$ (213,438)						
April 2022-Pinkard Draw #25	\$ (317,680)						
May 2022-Pinkard Draw #26	\$ (401,973)						
June 2022-Pinkard Draw #27	\$ (479,125)						
July 2022-Pinkard Draw #28	\$ (176,952)						
August 2022-Pinkard Draw #29	\$ (211,300)						
September 2022-Pinkard Draw #30	\$ (221,500)						
October 2022-Pinkard Draw #31	\$ (69,265)						

Domestic Hot Water

Climate Engineering	\$ (18,870)	\$ 20,000	100%	100%	\$ 1,130	\$ (18,870) Kavod
Project Complete						

West Roof and East circle railings

First Choice Fabrication	\$ (5,992)	\$ 32,000	100%	100%	\$ 5,855	\$ (26,145) Kavod
Larry's Mobile Welding	\$ (5,981)					
First Choice Fabrication	\$ (14,172)	Project Complete				
Replace Boilers/Valves-South						
Climate Engineering	\$ (11,780)	\$ 120,000	100%	100%	\$ 43,920	\$ (76,080) Kavod
Climate Engineering	\$ (64,300)					
Project Complete-Project under budget						
East building Elevator Upgrades						
Thyssenkrupp-Deposit	\$ (143,117)	\$ 280,000	\$ 327,552	100%	100%	\$ (0) \$ (327,552) Kavod
Thyssenkrupp	\$ (28,751)					
Thyssenkrupp	\$ (27,625)	Project Complete 11/8/2021				
Thyssenkrupp	\$ (111,682)					
Thyssenkrupp	\$ (16,378)					

Kavod Senior Life **Committed Projects- payment for material only as of November 2022**
MidFirst Refi Loan Tracking
As of December 1, 2022

	<u>Bid</u>	<u>Total Budget</u>	<u>Revised Budget</u>	<u>Percentage Spent Complete</u>	<u>Percentage Work Complete</u>	<u>Available Budget</u>	
New door Hardware							
Anixer	\$ (56,293)	\$ 60,000		100%	0%	\$ 3,707	\$ (56,293) Pinkard
Furniture for West Office							
Interior Environments	\$ (6,800)	\$ 13,673		50%	50%	\$ 6,873	\$ (6,800) Kavod

Total Costs to Date **\$ (10,537,488)**

Original Contingency Amount	\$ 857,000
West First Floor piping additional costs	\$ (120,600)
Pinkard Change Order #9	\$ (294,000)
Pinkard Change Order #11	\$ (129,000)
Pinkard Change Order #11	\$ (203,000)
Marx Okubo	\$ (80,000)
Contingency as of 11/10/2022	<u>\$ 30,400</u>

Total Cash/Loan Proceeds Available **\$ 1,579,504**

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

Interest on MidFirst Loan

	Actual	Budget	Variance
January Interest Paid	\$ 20,537	\$ 24,567	\$ 4,030
February Interest Paid	\$ 29,259	\$ 32,567	\$ 3,308
March Interest Paid	\$ 28,000	\$ 32,567	\$ 4,567
April Interest Paid	\$ 31,000	\$ 43,167	\$ 12,167
May Interest Paid	\$ 30,000	\$ 54,167	\$ 24,167
June Interest Paid	\$ 30,000	\$ 54,167	\$ 24,167
July Interest Paid	\$ 31,000	\$ 54,164	\$ 23,164
August Interest Paid	\$ 31,000	\$ 57,167	\$ 26,167

September Interest Paid	\$ 31,000	\$ 61,367	\$ 30,367
October Interest Paid	\$ 30,000	\$ 57,167	\$ 27,167
November Interest Paid	\$ 31,000	\$ 57,167	\$ 26,167
December Interest Paid	\$ 30,000	\$ 57,167	\$ 27,167
January Interest Paid	\$ 31,000	\$ 33,167	\$ 2,167
February Interest Paid	\$ 31,000	\$ 33,167	\$ 2,167
March Interest Paid	\$ 28,000	\$ 33,167	\$ 5,167
April Interest Paid	\$ 31,000	\$ 34,667	\$ 3,667
May Interest Paid	\$ 30,000	\$ 34,667	\$ 4,667
June Interest Paid	\$ 30,000	\$ 34,667	\$ 4,667
July Interest Paid	\$ 31,000	\$ 34,667	\$ 3,667
August Interest Paid	\$ 30,000	\$ 34,667	\$ 4,667
September Interest Paid	\$ 31,000	\$ 34,667	\$ 3,667
October Interest Paid	\$ 30,000	\$ 34,667	\$ 4,667
November Interest Paid	\$ 31,000	\$ 34,667	\$ 3,667
December Interest Paid	\$ 30,000	\$ 34,667	\$ 4,667
January Interest Paid	\$ 31,000	\$ 37,255	\$ 6,255
February Interest Paid	\$ 31,000	\$ 37,255	\$ 6,255
March Interest Paid	\$ 28,848	\$ 36,333	\$ 7,485
April Interest Paid	\$ 30,664	\$ 36,333	\$ 5,669
May Interest Paid	\$ 29,486	\$ 36,333	\$ 6,847
June Interest Paid	\$ 30,000	\$ 36,333	\$ 6,333
July Interest Paid	\$ 34,065	\$ 36,333	\$ 2,268
August Interest Paid	\$ 36,005	\$ 36,333	\$ 328
September Interest Paid	\$ 37,584	\$ 36,333	\$ (1,251)
October Interest Paid	\$ 37,584	\$ 36,333	\$ (1,251)
November Interest Paid	\$ 39,236	\$ 36,333	\$ (2,903)
December Interest Paid	\$ 37,999	\$ 36,333	\$ (1,666)
January 2021 Interest Paid	\$ 38,365	\$ 39,283	\$ 918
February 2021 Interest Paid	\$ 38,365	\$ 39,283	\$ 918
March 2021 Interest Paid	\$ 34,859	\$ 39,283	\$ 4,424
April 2021 Interest Paid	\$ 38,432	\$ 39,283	\$ 851
May 2021 Interest Paid	\$ 37,048	\$ 39,283	\$ 2,235
June 2021 Interest Paid	\$ 30,934	\$ 39,283	\$ 8,349
July 2021 Interest Paid	\$ 30,934	\$ 39,283	\$ 8,349
August 2021 Interest Paid	\$ 30,934	\$ 39,283	\$ 8,349
September 2021 Interest Paid	\$ 28,304	\$ 39,283	\$ 10,979
October 2021 Interest Paid	\$ 29,611	\$ 39,283	\$ 9,672
November 2021 Interest Paid	\$ 28,441	\$ 39,283	\$ 10,842
December 2021 Interest Paid	\$ 29,611	\$ 39,283	\$ 9,672
January 2022 Interest Paid	\$ 32,304	\$ 35,547	\$ 3,243
February 2022 Interest Paid	\$ 30,604	\$ 35,547	\$ 4,943
March 2022 Interest Paid	\$ 30,604	\$ 35,547	\$ 4,943
April 2022 Interest Paid	\$ 32,304	\$ 35,547	\$ 3,243
May 2022 Interest Paid	\$ 32,825	\$ 35,547	\$ 2,722
June 2022 Interest Paid	\$ 34,661	\$ 35,547	\$ 886
July 2022 Interest Paid	\$ 33,540	\$ 35,547	\$ 2,007
August 2022 Interest Paid	\$ 34,105	\$ 35,547	\$ 1,442

September 2022 Interest Paid	\$ 37,520	\$ 35,547	\$ (1,973)
October 2022 Interest Paid	\$ 34,500	\$ 35,547	\$ 1,047
Total Interest to date	<u>\$ 1,828,536</u>	<u>\$ 2,237,044</u>	<u>\$ 408,508</u>

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