

**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 August 28, 2023**

**5:30pm**

**Via Zoom Conference Call**

	Item	Presenter	Action
5:30pm	Welcome, Call to Order, Quorum Determination and Agenda Review	Scott Fisher	
5:32 pm	Consent Agenda <ul style="list-style-type: none"> <li>• June 2023 Board Minutes</li> <li>• May/June Financials</li> <li>• Fiscal Committee Minutes</li> <li>• Resident &amp; Community Services Minutes</li> <li>• Foundation Minutes</li> <li>• Annual Meeting Minutes</li> </ul>	Scott Fisher	Approval
5:35pm	Update on the Voluntary Compliance Agreement and Fair Housing Update	Yolanda Webb Christie Zielger Michael Klein	Informational
5:40pm	Construction Update	Tracy Kapaun	Informational
5:45pm	Fiscal Committee Update Audit Update	Joey Simon John McCarthy	Informational
5:50pm	Security Update	Tracy Kapaun Michael Klein	Informational
5:55pm	Board Development and Leadership Update	Jamie Sarche	Informational
6:00pm	CEO Report	Michael Klein	Informational
6:05pm	Chair Report	Molly Zwerdinger/Scott Fisher	Informational
6:07pm	Break for Orientation Meeting		

Kavod Senior Life Board of Director Orientation Meeting

6:10pm	Board overview	Steven Summer
6:18pm	Organizational Overview	Michael Klein
6:26pm	Fiscal Overview	John McCarthy
6:34pm	HR Overview	Christine Dewhurst
6:42pm	Operations Overview	Tracy Kapaun
6:50pm	Development Overview	Gaile Waldinger
6:55pm	Marketing/Community Outreach Overview	Christie Ziegler
7:00pm	AL Overview	Christy Martinez
7:05	Adjourn	All

Next Board of Directors Meeting October 23, 2023 at 5:30pm

Kavod Senior Life  
Board of Directors  
Board Meeting  
June 26, 2023

The board meeting was a hybrid meeting (in person for those who wish to be and virtual for those who wished to be). Present: Ellen Abrams, Brian Botnick, Sharon Caulfield, Joe Dubroff, Scott Fisher, Rob Friedman, Ondalee Kline, Gary Saltzman, Melanie Siegel, Joey Simon, Jamie Sarche, Jan Schorr, Yolanda Webb, Essey Yirdaw and Molly Zwerdinger. Staff: Michael Klein, John McCarthy, Tracy Kapaun and Gaile Weisbly Waldinger. Each person in attendance acknowledged the ability to hear and speak during the meeting.

Ms. Molly Zwerdinger ascertained that a quorum was established and called the meeting to order. With a quorum established, the consent agenda was presented for approval. Ms. Sarche moved to approve with a second by Mr. Friedman. Motion passed.

Mr. Rob Friedman, Chair of the Board Leadership and Development Committee, advised that the board had one open position to fill and that the committee was recommending Essey Yirdaw to fill the open position. Mr. Friedman provided a brief overview of Ms. Yirdaw qualifications and moved to approve her admission on to the Board of Directors. Ms. Siegel seconded the motion. The motion passed. Once Ms. Yirdaw's nomination was approved, she was admitted to the meeting where upon board introductions were done.

As part of her introduction, Ms. Waldinger provided a brief review of the Legacy program that KSL has established.

Ms. Caulfield presented the resolution authorizing the CEO and CFO to make decision for the Morgan Stanley Smith Barney accounts (see a draft of the resolution, which is attached). Ms. Caulfield moved to adopt the resolution as presented with a second from Ms. Sarche. The motion passed.

The board then discussed the authorizing the Fiscal Committee to make a priority of developing an investment policy for Allied Housing, Inc., dba Kavod Senior Life. Ms. Caulfield moved to authorize the fiscal committee to develop an investment policy. Ms. Sarche seconded the motion. The board discussed amending the motion to allow the fiscal committee to oversee all investments until the investment policy was approved. Ms. Caulfield amended her motion to include fiscal oversight of investments until an investment policy was approved by the board with Ms. Sarche once again seconding the motion. The amended motion was approved.

Ms. C. Saltzman was unable to attend; therefore, the assistant Treasurer Mr. Joey Simon presented the fiscal update. He noted that starting in July there will be an additional rent adjustment which will be reflected on in the upcoming financial statements. This is money from the Housing Assistance Program and does not increase what our residents' pay. Mr. Simon advised the board the auditors had completed the HUD Financial statements and the HUD audit was sent into HUD on June 6<sup>th</sup> whereby KSL was no longer out of compliance with HUD timeframes. He noted there were no significant findings and that the consolidated audit is still being completed.

Mr. Klein advised the board KSL received a \$500k operational grant from the Jeanette and Henry Weinberg Foundation. This is a 2-year grant with \$250k being allocated this year and the remainder \$250k to be received in 2024. The funds will help to repay the MidFirst loan for the sprinkler system, walk in showers and fan coil units, which were all part of the overall building project.

Ms. Siegel provided an update on the status of the Annual Summer Fundraising Event, which will take place on August 17<sup>th</sup> at Coors Field. The honorees are Ms. Lynn Zwerdlinger and Ms. Molly Zwerdlinger. She invited all to attend by either sponsoring the event or purchasing tickets.

Mr. Klein presented his CEO report. He advised there are no current COVID cases on campus and that we are in the final stages of our multi-year construction project. He updated the board on the resident eviction, which will be done in the near future based on the sheriff's department's schedule. Mr. Klein will keep the board updated on the situation as things develop. Mr. Klein noted that the Kavod on the Road Annual Senior Conference was a success with 125 participants. There was a charge this year to participants of \$5. It was noted that an anonymous donor underwrote the program. It was also stated that the Bistro is now open for residents two hours a day Monday through Friday. Mr. Klein advised that KSL received a \$5k grant from 100+ Jews who Care for mental health services. He also advised that our health & wellness department was able to get a dental group to come into the Kavod.

Due to time constraints, Ms. Zwerdlinger's report was very brief. She advised that a new board orientation would take place in the near future.

The meeting was adjourned at 6:37pm.

Kavod Senior Life  
Board of Directors  
Annual Meeting  
August 16, 2023

The meeting was a hybrid meeting (in person and virtual for those members who wished to be.)  
Present: Scott Fisher, Rob Friedman, Connell Saltzman, Gary Saltzman, Brian Botnick, Joe Dubroff, Elaine Abrams, Joan Beldock, Perry Moss, Jan Schorr, Jamie Sarche, Melanie Siegel, Joey Simon, and Molly Zwerdinger. Staff: Michael Klein, John McCarthy, Tracy Kapaun, and Gaile Waldinger.

A quorum being established, Ms. Molly Zwerdinger called the meeting to order

Mr. Rob Friedman presented the Board Leadership and Development Committee report to those presented. He advised the following are outgoing members or the board:

Ondalee Kline

Alexander Mannerings

Sharon Caulfield

David Zaterman

He stated that each outgoing member will receive a Tzedakah Box as a token of Kavod Senior Life's appreciation for their commitment to Kavod.

Mr. Friedman presented the following nominations to the Kavod Senior Life Board of Directors for their 2<sup>nd</sup> 3 year term: \_2023-2026

Gary Saltzman

Jan Schorr

Mr. Friedman presented the following nominations to the Kavod Senior Life Board of Directors for their 1st 3<sup>rd</sup> year term: - 2023-2026

Ellen Abrams

Essey Yirdaw

Joe Dubroff

Mr. Friedman moved to accept the Board Leadership and Development Report as presented with a second from Ms. Siegel. Motion was approved.

The following members were nominated to the Kavod Senior Life Executive Committee for their 3<sup>rd</sup> 2 year term: 2023-2025

Connell Saltzman\* - move to At Large member from Treasurer

The following members were nominated to the Kavod Senior Life Executive Committee for their 1st 2 year term: 2023-2025

Scott Fisher – Chair–elect. This is a move from At-Large member

Joey Simon - Treasurer

Mr. Friedman moved to accept the Board Leadership and Development Report as presented with a second from Ms. Siegel. Motion was approved.

Mr. Friedman presented the following nominations to the Kavod Foundation Board for a 3<sup>rd</sup> 3 year term: 2023-2026

Molly Zwerdinger

Mr. Friedman moved to accept the Board Leadership and Development Report as presented with a second from Mr. G. Saltzman. Motion was approved.

Finally, Mr. Friedman presented the following for nomination to The Kavod Senior Housings and Services Board for their 3<sup>rd</sup> 3-year term: 2023-2026

Deanie Andersen

Mr. Friedman moved to accept the Board Leadership and Development Report as presented with a second from Ms. Sarche. Motion was approved.

Mr. Friedman noted that his term as chair of the Board Leadership and Development has been completed and that Jamie Sarche would be the new chair..

Mr. Klein gave his CEO report outlining the staff's accomplishment over the last year. Kavod is in a strong position financially, is nearly finished with their major construction project and continues to expand our health and wellness services. The Weinberg grant was a major accomplishment. Mr. Klein thanked the staff for their dedication to the residents. He also thanked Ms. Zwerdinger for her leadership over the last year.

Ms. Zwerdinger presented provided a quick report on the accomplishments of the past year. She advised all present that she will be on medical sabbatical for the next 3 months and that Chair-Elect Scott Fisher will oversee the board. All wished Ms. Zwerdinger well.

Ms. Siegel provided a quick report on the upcoming annual summer celebration-honoring mother and daughter duo of Molly Zwerdinger and Lynn Zwerdinger. She noted that we had 100% support of the event from the Board. As of the date of the meeting \$110k in sponsorships have been raised. She reminded everyone of the event the next day at Coors Field and looked forward to seeing everyone there.

There being no other business the meeting adjourned at 8:30am



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**

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**Tuesday, August 15, 2023  
8:00am VIA Zoom**

8:00am	Welcome	Joey Simon
8:05am	Review of July 2023 Minutes	Joey Simon
8:10am	Overview of June 2023 FS	John McCarthy
8:30am	General Updates <ul style="list-style-type: none"><li>- Construction Status</li><li>- 2022 Audit Status</li></ul>	Kavod Team
8:40am	Investment Policy Discussion <ul style="list-style-type: none"><li>- Review Kavod Foundation Investment Policy</li><li>- Review Kavod Cash Holdings</li></ul>	Fiscal Committee
9:00am	Adjourn	Joey Simon



## Notes to June 2023 Financial Statements

The following represents a summary analysis of significant items reflected in the June 2023 financial statements. All financial statistics are considered preliminary and subject to change, pending independent review by Kavod Senior Life's contracted auditing firm.

### July 2023 Outlook:

- The April 1<sup>st</sup> increase in Housing Assistance Payments (HAP) continues to contribute an additional \$65K of rent revenue above budgeted expectations for the month.
- Continued Assisted Living vacancy will negatively affect revenue performance for July by roughly \$15K. Marketing will be offering financial incentives in August to boost interest if the current prospective applicants fail to meet eligibility requirements.
- On July 25<sup>th</sup>, Kavod received the first \$250K installment of a \$500K capital grant award from The Harry and Jeanette Weinberg Foundation to support the renovation costs of the East, West, and South buildings. The final \$250K installment is tentatively scheduled for delivery July 2024.
- For 2023, June and December have three payroll pay dates. As reported in the prior month, the budget did not accommodate this third pay date in June, but reflected it in July, causing significant labor expense variance in both months. In order to avoid this problem, I scheduled time to reallocate budget statistics to the proper months.
- Kavod began using Paylocity, the new payroll services company, in July. The first scheduled payroll cycle occurred on July 14<sup>th</sup>, with minimal issues. Implementation continues with the development of the General Ledger import file.

### June 2023:

#### Cash:

- Operating Cash increased \$115K from May to June, ending the month at \$5.9M.
- Total Cash for June is \$9.5M, remaining unchanged from the prior month.

#### Balance Sheet changes YTD:

- Total Cash at the end of June is roughly \$29K lower than total Cash at January 1<sup>st</sup>. The \$815K ERC payment received in May nearly offsets the final construction retention of \$831K paid in January/February.
- Accounts Receivable is \$823K lower at the end of June compared to the beginning of the year and reflects the settlement of the outstanding ERC amount due. The current Accounts Receivable balance reflects tenant rent and subsidy payments due.

#### Statement of Activities:

- Net income is \$19K better than budget expectations YTD, reflecting a net profit of \$30K. For the month, there is net loss of \$105K compared to a budgeted net loss of \$70K.

#### Revenue:

- Total Revenue is \$5.77M YTD compared to a budget of \$5.70M. The \$70K favorable variance YTD continues to reverse a revenue shortfall from the first quarter, and is attributed to the increase in Housing Assistance Payments (HAP) that became effective on April 1<sup>st</sup> and the receipt of \$35K of unexpected interest from the ERC payment.



- Rent revenue exceeds budget by \$184K YTD, with \$208K greater than projected HAP subsidies. There were five units vacant in June.
- Total Adjustments of \$25K YTD represents rent loss for the two Night Manager apartments, as well as any concessions provided to prospective residents to lease market rate units.
- Total Tenant Charges is comprised of rents for leased space from CU Medicine and Legacy Healthcare, and revenue from laundry machine usage.
- Food Service Revenue is below budget by \$14K YTD. The unfavorable variance YTD includes a \$6K adjustment in April for revenue posted in error for a prior period. There were 44 meal exemptions in June.
- Assisted Living Revenue is below budget by \$25K YTD, with three units remaining vacant since May. All currently vacant units in Assisted Living are designated for market rate applicants to realign the ratio of Market and Medicaid units to budget.
- Non-Profit Revenue reflects a \$29K negative variance YTD, however, \$28K of Sponsorship receipts are categorized within Non-Profit Expenses. This will be reclassified in July to correct the YTD negative variance.
- Grant Revenue is below budget by \$88K YTD. Several grant requests have been submitted, with decisions pending in early Q3.
- Other Revenue exceeds budget by \$44K YTD, and reflects the receipt of \$35K of unexpected interest from the ERC payment.

#### **Expenses:**

- Total Operating Expenses are \$4.90M YTD compared to a budget of \$4.83M. The \$62K unfavorable variance YTD is roughly 1% higher than budget expectations.
- Total Administrative Expenses exceed budget by \$84K YTD, and is comprised of the following:
  - Salaries and Benefits exceed budget by \$63K YTD. Of this total, \$10K is attributed to retroactive annual salary increases for management staff members, \$20K for annual incentives that exceeded budgeted expectations, \$18K for accrued earned vacation paid to the previous CFO upon his resignation, and \$16K for associated payroll taxes.
  - Professional Fees exceed budget by \$9K YTD. Legal expense is over budget by \$15K YTD due to costs associated with the recent Fair Housing Audit and a resident eviction that occurred on June 28<sup>th</sup>. Audit fees are \$6K below budget YTD, with final 2022 consolidated reports still in process.
  - Other Administrative Expense exceeds budget by \$11K YTD, with \$7K attributed to initial implementation costs of the new payroll processing system and \$3.5K for movers to assist with a resident eviction.
- Utility Expense is nearly equal to budget YTD. Gas charges exceed budget by \$10K YTD. Electricity charges are below budget by \$12K YTD, reflecting \$18K of savings due to Community Solar Rewards credits received through June.
- Maintenance and Operational Expenses exceed budget by \$83K YTD, and is comprised of the following:
  - Temporary Labor exceeds budget by \$42K YTD. Open Maintenance Technician positions were filled in July, which will hopefully eliminate the need for ongoing temporary staffing assistance.

- Supplies exceed budget by \$67K YTD. Greater than expected apartment turnover continues to push supply expense beyond budgeted expectations.
- Contract – Building Repairs exceeds budget by \$22K YTD. In addition to apartment turnover costs, various mechanical, plumbing, and carpet installation needs have pushed repair costs beyond budgeted expectations.
- Food Service Expense is below budget by \$55K YTD. Temporary staffing needs and Food and Beverage costs are both less than budgeted expectations YTD.
- Activity & Program Expense exceeds budget by \$9K YTD, and is due primarily to staff payroll costs.
- Total Non-Profit Expenses are below budget by \$42K. Kavod on the Road Program expense is \$39K below budget YTD, with the savings expected to be temporary, as upcoming scheduled events will utilize these funds. Likewise, Fundraising Expense is \$33K below budget YTD, with the planned annual fundraising event occurring in August. Grant Expense exceeds budget by \$38K YTD, with Passover Food (\$18K) the largest contributor to the overage. A \$20K donation was received in March to cover this expense, and is reflected in Non-Profit Revenue.

**Net Operating Income:**

- Net Operating Income is \$871K YTD compared to a budget of \$863K. With an \$8K favorable variance, operating income is roughly 1% higher than expected YTD.

**Non-Operating Expenses:**

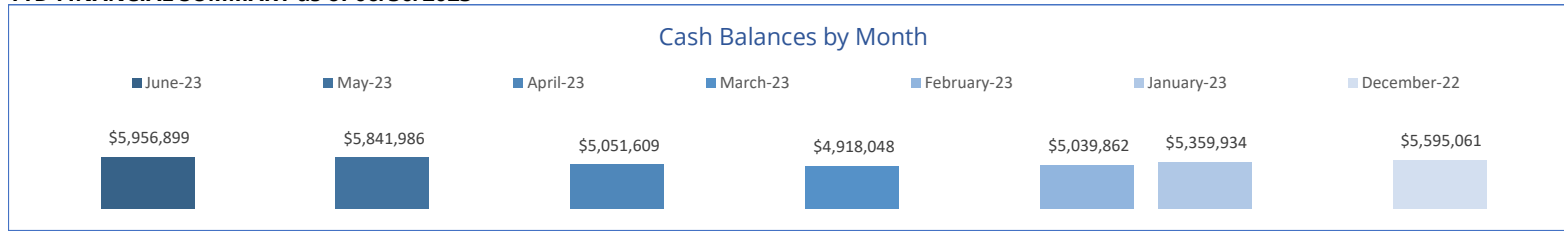
- Non-Operating Expenses are below budget by \$11K YTD. Deferred Compensation of \$36K was recorded in June, as well as a YTD true up of Depreciation and Amortization to reflect updated schedules because of the 2022 audit.

**Capital Items:**

- Unplanned replacement of a back flow device in the West building (\$11K) and replacement of a chiller compressor unit in the South building (\$13K) used a portion of capital funds in June. Of the \$923K allocated for 2023 capital projects, \$414K has been spent YTD.

**KAVOD SENIOR LIFE**

**YTD FINANCIAL SUMMARY as of 06/30/2023**



Cash Balances by Month - See Chart	June-23	May-23	April-23	March-23	February-23	January-23	December-22
Operating Cash on Hand	\$ 5,956,899	\$ 5,841,986	\$ 5,051,609	\$ 4,918,048	\$ 5,039,862	\$ 5,359,934	\$ 5,595,061
Total Cash	\$ 9,448,019	\$ 9,460,054	\$ 8,450,522	\$ 8,305,580	\$ 8,530,087	\$ 8,616,559	\$ 8,628,497

Net Income-YTD	June-23	May-23	April-23	March-23	February-23	January-23	December-22
Actual	\$ 29,533	\$ 134,810	\$ (3,243)	\$ (163,691)	\$ (51,671)	\$ (44,500)	\$ 126,755
Budget	\$ 10,901	\$ 81,252	\$ 14,464	\$ (26,545)	\$ 3,320	\$ 6,272	\$ 429,121
Variance	\$ 18,632	\$ 53,558	\$ (17,707)	\$ (137,146)	\$ (54,991)	\$ (50,772)	\$ (302,366)

Kavod Meal Exceptions	June-23	May-23	April-23	March-23	February-23	January-23	December-22
Number of Residents	44	45	43	42	43	44	43

Occupancy Percentage	June-23	May-23	April-23	March-23	February-23	January-23	December-22
	98%	98%	99%	98%	98%	97%	96%

Vacant Units	June-23	May-23	April-23	March-23	February-23	January-23	December-22
Independent Living	5	4	4	6	6	8	12
Assisted Living	3	3	1	1	1	1	2
Total Vacant Units	8	7	5	7	7	9	14

Grant Revenue-YTD	June-23	May-23	April-23	March-23	February-23	January-23	December-22
Actual	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 105,493
Budget	\$ 138,350	\$ 115,292	\$ 92,233	\$ 69,175	\$ 46,117	\$ 23,058	\$ 324,036
Variance	\$ (88,350)	\$ (65,292)	\$ (42,233)	\$ (69,175)	\$ (46,117)	\$ (23,058)	\$ (218,543)

MidFirst Construction Loan Balance	June-23	May-23	April-23	March-23	February-23	January-23	December-22
Drawn Down	\$ 14,838,824	\$ 14,871,718	\$ 14,905,804	\$ 14,938,520	\$ 14,975,006	\$ 15,007,537	\$ 15,039,982
Available	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 14,838,824	\$ 14,871,718	\$ 14,905,804	\$ 14,938,520	\$ 14,975,006	\$ 15,007,537	\$ 15,039,982
<b>Debt Coverage Ratio</b>	<b>2.00</b>	<b>2.07</b>	<b>1.70</b>	<b>0.95</b>	<b>1.37</b>	<b>1.11</b>	<b>1.41</b>
Principal balance of the loan	\$ 14,838,824	\$ 14,871,718	\$ 14,905,804	\$ 14,938,520	\$ 14,975,006	\$ 15,007,540	\$ 15,007,540

Employees	June-23	May-23	April-23	March-23	February-23	January-23	December-22
Full time	\$ 62	\$ 65	\$ 65	\$ 66	\$ 68	\$ 68	\$ 62
Part time	\$ 21	\$ 15	\$ 15	\$ 15	\$ 17	\$ 15	\$ 23
Total	\$ 83	\$ 80	\$ 80	\$ 81	\$ 85	\$ 83	\$ 85

Open Positions-Full Time	1.00	5.00	5.00	5.00	-	-	2.00
Open Positions Part-Time	2.00	1.00	1.00	1.00	-	-	1.00

Kavod Senior Life Foundation	March-23	June-23	Change
Investment Balance	\$ 6,309,008	\$ 6,537,950	\$ 228,942

Note: The Foundation balance will be updated quarterly.

**Kavod Senior Life**  
**Summary Statement of Activities (with PTD)**  
**For the month ending June 2023**

8/9/2023 5:05 PM

	MTD Actual	MTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual	
<b>REVENUE</b>										
5000-99-999	TOTAL RENT REVENUE	\$ 770,837	\$ 705,169	\$ 65,668	\$ 9	\$ 4,361,816	\$ 4,177,779	\$ 184,037	\$ 4	\$ 8,398,796
5000-40-400	TOTAL ADJUSTMENTS	-4,350	-3,852	-498	-13	-24,606	-23,112	-1,494	-6	-46,224
	TOTAL TENANT CHARGES	368	1,338	-970	-73	7,321	6,552	769	12	14,579
<b>5000-99-999</b>	<b>TOTAL RENTAL INCOME</b>	<b>766,855</b>	<b>702,655</b>	<b>64,200</b>	<b>9</b>	<b>4,344,531</b>	<b>4,161,219</b>	<b>183,312</b>	<b>4</b>	<b>8,367,151</b>
	TOTAL FOOD SERVICE	99,047	100,854	-1,807	-3	585,280	599,125	-13,845	-3	1,200,250
5310-99-999	TOTAL ASSISTED LIVING REVENUE	86,891	100,404	-13,513	-13	531,444	556,424	-24,980	-4	1,140,848
5320-99-999	TOTAL ACTIVITY REVENUE	900	1,989	-1,089	-55	9,477	11,580	-2,104	-18	24,313
5600-99-999	TOTAL NON-PROFIT REVENUE	34,322	62,021	-27,699	-45	187,532	216,126	-28,593	-13	463,496
5610-99-999	TOTAL GRANT REVENUE	0	23,058	-23,058	-100	50,000	138,350	-88,350	-64	286,700
5900-99-998	TOTAL OTHER REVENUE	2,427	2,058	369	18	59,322	14,894	44,428	298	29,594
<b>5900-99-999</b>	<b>TOTAL REVENUE</b>	<b>990,442</b>	<b>993,040</b>	<b>-2,598</b>	<b>0</b>	<b>5,767,587</b>	<b>5,697,718</b>	<b>69,868</b>	<b>1</b>	<b>11,512,352</b>
<b>6000-00-000 EXPENSES</b>										
6000-99-999	TOTAL ADMIN SALARIES AND BENEFITS	187,657	186,483	-1,174	-1	962,586	899,168	-63,418	-7	1,755,139
6010-99-999	TOTAL PROFESSIONAL FEES	1,723	4,226	2,503	59	43,421	34,193	-9,228	-27	59,252
6020-99-999	TOTAL MANAGEMENT FEE EXPENSE	1,004	1,004	0	0	6,025	6,024	-1	0	12,048
6040-99-998	TOTAL OTHER ADMINISTRATIVE EXPENSES	36,992	27,282	-9,709	-36	179,989	168,590	-11,399	-7	331,674
<b>6040-99-999</b>	<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>227,376</b>	<b>218,996</b>	<b>-8,381</b>	<b>-4</b>	<b>1,192,022</b>	<b>1,107,975</b>	<b>-84,046</b>	<b>-8</b>	<b>2,158,113</b>
6100-99-999	TOTAL MARKETING AND ADVERTISING	6,185	5,297	-888	-17	25,505	30,700	5,195	17	63,565
6400-99-999	TOTAL UTILITY EXPENSES	27,233	31,224	3,991	13	199,209	199,218	9	0	404,577
6500-99-999	TOTAL REPAIRS AND MAINTENANCE EXPENSES	104,929	112,659	7,730	7	541,802	529,796	-12,005	-2	1,049,765
6510-99-999	TOTAL MATERIALS	26,012	23,608	-2,404	-10	209,417	142,525	-66,892	-47	283,302
6520-99-998	TOTAL CONTRACT COSTS	37,798	60,887	23,089	38	384,416	379,596	-4,819	-1	740,609
<b>6520-99-999</b>	<b>TOTAL MAINTENANCE AND OPERATIONAL EXPENSES</b>	<b>168,739</b>	<b>197,155</b>	<b>28,415</b>	<b>14</b>	<b>1,135,634</b>	<b>1,051,918</b>	<b>-83,716</b>	<b>-8</b>	<b>2,073,676</b>
6700-99-999	TOTAL TAXES AND INSURANCE	34,561	32,921	-1,640	-5	187,518	197,524	10,006	5	395,048
6900-99-999	TOTAL FOOD SERVICE	158,721	164,766	6,045	4	831,046	886,066	55,020	6	1,758,182
6910-99-999	TOTAL ASSISTED LIVING EXPENSE	103,933	97,620	-6,313	-6	492,714	493,683	969	0	983,808
6920-99-999	TOTAL ACTIVITY PROGRAM EXPENSE	57,566	49,030	-8,537	-17	282,715	273,298	-9,417	-3	563,361
6930-99-999	TOTAL RESIDENT COMPUTER CENTER	11,126	9,176	-1,950	-21	49,630	47,296	-2,334	-5	98,793
6940-99-999	TOTAL SERVICE COORDINATOR EXPENSE	44,268	47,957	3,689	8	196,298	199,560	3,262	2	401,157
7009-99-999	TOTAL OTHER INCOME / EXPENSE	0	8	8	100	-37	50	87	173	100
8000-99-999	TOTAL NON-PROFIT EXPENSES	32,751	73,197	40,446	55	304,541	347,255	42,714	12	676,147
<b>8999-99-998</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>872,460</b>	<b>927,345</b>	<b>54,885</b>	<b>6</b>	<b>4,896,794</b>	<b>4,834,543</b>	<b>-62,251</b>	<b>-1</b>	<b>9,576,527</b>
<b>8999-99-999</b>	<b>NET OPERATING INCOME / LOSS</b>	<b>117,982</b>	<b>65,695</b>	<b>52,287</b>	<b>79</b>	<b>870,792</b>	<b>863,175</b>	<b>7,617</b>	<b>1</b>	<b>1,935,825</b>
<b>9019-99-999</b>	<b>TOTAL NON-OPERATING EXPENSES</b>	<b>223,259</b>	<b>136,046</b>	<b>-87,213</b>	<b>-64</b>	<b>842,405</b>	<b>852,274</b>	<b>9,869</b>	<b>1</b>	<b>1,660,548</b>
<b>9999-99-998</b>	<b>NET INCOME / LOSS</b>	<b>\$ (105,276)</b>	<b>\$ (70,351)</b>	<b>\$ (34,926)</b>	<b>\$ (50)</b>	<b>\$ 29,534</b>	<b>\$ 10,901</b>	<b>\$ 18,632</b>	<b>\$ 168</b>	<b>\$ 275,277</b>
							\$ (8,489)			

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

**Kavod Senior Life**  
**Summary Balance Sheet (With Period Change)**  
**For the month ending June 2023**

	Beginning	Balance	Balance	Net
	Balance January 2023	May-23	Jun-23	Change
<b>1000-00-001 ASSETS</b>				
<b>1000-00-003 CASH</b>				
UNRESTRICTED CASH	\$ 7,587,735	\$ 8,387,234	\$ 8,374,132	\$ 786,397
1010-99-998 RESTRICTED CASH	1,888,916	1,072,821	1,073,887	(815,029)
<b>1010-99-999 TOTAL CASH</b>	<b>9,476,651</b>	<b>9,460,055</b>	<b>9,448,019</b>	<b>(28,632)</b>
1020-90-999 ACCOUNTS AND NOTES RECEIVABLE	932,777	123,570	109,473	(823,304)
1100-00-999 PREPAID EXPENSES	313,279	231,816	189,670	(123,609)
1200-90-999 OTHER CURRENT ASSETS	4,410,145	4,383,314	4,573,277	163,132
<b>1200-99-999 CURRENT ASSETS</b>	<b>4,410,145</b>	<b>4,383,314</b>	<b>4,573,277</b>	<b>163,132</b>
1300-99-999 PROPERTY AND EQUIPMENT	37,735,680	38,136,639	38,169,611	433,931
1310-90-999 ACCUMULATED DEPRECIATION AND AMORTIZATION	-19,642,888	-20,067,333	-20,186,960	(544,072)
<b>1310-99-999 NET PROPERTY AND EQUIPMENT</b>	<b>18,092,792</b>	<b>18,069,306</b>	<b>17,982,651</b>	<b>(110,141)</b>
<b>1399-99-998 OTHER NONCURRENT ASSETS</b>	<b>479,538</b>	<b>479,538</b>	<b>451,606</b>	<b>(27,932)</b>
<b>1999-99-999 TOTAL ASSETS</b>	<b>33,705,180</b>	<b>32,747,598</b>	<b>32,754,696</b>	<b>(950,484)</b>
<b>2000-00-000 LIABILITIES AND EQUITY / FUND BALANCE</b>				
2000-99-999 ACCOUNTS PAYABLE	330,584	214,271	133,596	(196,988)
2010-90-999 ACCRUAL PAYROLL AND BENEFITS	274,969	259,659	260,045	(14,924)
2020-99-998 OTHER CURRENT LIABILITES	3,684,785	3,657,954	3,883,917	199,132
2020-99-999 CURRENT LIABILITIES	4,290,338	4,131,883	4,277,557	(12,781)
2100-99-999 DEPOSITS AND PREPAID LIABILITIES	177,153	203,307	202,901	25,748
2500-99-999 MORTGAGE AND NOTES PAYABLE	15,831,809	14,871,718	14,838,824	(992,985)
	<b>20,299,300</b>	<b>19,206,908</b>	<b>19,319,282</b>	<b>(980,018)</b>
<b>2999-99-999 TOTAL LIABILITIES</b>				
3000-99-999 CONTRIBUTED CAPITAL	904,139	904,139	904,139	-
3600-99-997 RETAINED EARNINGS / FUND BALANCE	12,501,741	12,636,551	12,531,274	29,533
3999-99-998 EQUITY / FUND BALANCE	13,405,880	13,540,690	13,435,413	29,533
<b>3999-99-999 TOTAL LIABILITIES AND EQUITY / FUND BALANCE</b>	<b>\$ 33,705,180</b>	<b>\$ 32,747,598</b>	<b>\$ 32,754,696</b>	<b>(950,484)</b>

**Kavod Senior Life**  
**Consolidated Cash Flow Statement**  
**For the month ending June 2023**

		Period to Date	%	Year to Date	%
<b>REVENUE</b>					
5000-99-999	TOTAL RENT REVENUE	770,837	78	4,361,816	76
5010-00-999	TOTAL ADJUSTMENTS	-4,350	0	-24,606	0
5020-99-999	TOTAL TENANT CHARGES	368	0	7,321	0
5300-00-999	TOTAL FOOD SERVICE	99,047	10	585,280	10
5310-99-999	TOTAL ASSISTED LIVING REVENUE	86,891	9	531,444	9
5320-99-999	TOTAL ACTIVITY REVENUE	900	0	9,477	0
5600-99-999	TOTAL NON-PROFIT REVENUE	34,322	3	187,532	3
5610-99-999	TOTAL GRANT REVENUE	0	0	50,000	1
5900-99-998	TOTAL OTHER REVENUE	2,427	0	59,322	1
<b>TOTAL REVENUE</b>		<b>990,442</b>	<b>100</b>	<b>5,767,587</b>	<b>100</b>
<b>EXPENSES</b>					
6000-99-999	TOTAL ADMIN SALARIES AND BENEFITS	187,657	19	962,586	17
6010-99-999	TOTAL PROFESSIONAL FEES	1,723	0	43,421	1
6020-99-999	TOTAL MANAGEMENT FEE EXPENSE	1,004	0	6,025	0
6040-99-998	TOTAL OTHER ADMINISTRATIVE EXPENSES	36,992	4	179,989	3
6040-99-999	TOTAL ADMINISTRATIVE EXPENSES	227,376	23	1,192,022	21
6100-99-999	TOTAL MARKETING AND ADVERTISING	6,185	1	25,505	0
6400-99-999	TOTAL UTILITY EXPENSES	27,233	3	199,209	3
6500-99-999	TOTAL REPAIRS AND MAINTENANCE EXPENSES	104,929	11	541,802	9
6510-99-999	TOTAL MATERIALS	26,012	3	209,417	4
6520-99-998	TOTAL CONTRACT COSTS	37,798	4	384,416	7
6520-99-999	TOTAL MAINTENANCE AND OPERATIONAL EXPENSES	168,739	17	1,135,634	20
6700-99-999	TOTAL TAXES AND INSURANCE	34,561	3	187,518	3
6900-99-999	TOTAL FOOD SERVICE	158,721	16	831,046	14
6910-99-999	TOTAL ASSISTED LIVING EXPENSE	103,933	11	492,714	9
6920-99-999	TOTAL ACTIVITY PROGRAM EXPENSE	57,566	6	282,715	5
6930-99-999	TOTAL RESIDENT COMPUTER CENTER	11,126	1	49,630	1
6940-99-999	TOTAL SERVICE COORDINATOR EXPENSE	44,268	4	196,298	3
7009-99-999	TOTAL OTHER INCOME / EXPENSE	0	0	-37	0
8000-99-999	TOTAL NON-PROFIT EXPENSES	32,751	3	304,541	5
<b>TOTAL EXPENSES</b>		<b>872,460</b>	<b>88</b>	<b>4,896,794</b>	<b>85</b>
<b>NET OPERATING INCOME / LOSS</b>		<b>117,982</b>	<b>12</b>	<b>870,792</b>	<b>15</b>
9010-90-100	Amortization	27,932	3	27,932	0
9010-90-650	Deferred Comp Expense	36,000	4	36,000	1
9010-90-800	IRS ECR CREDIT	0	0	-1,146	0
<b>TOTAL NON-OPERATING EXPENSES</b>		<b>223,259</b>	<b>23</b>	<b>842,405</b>	<b>15</b>
<b>NET INCOME / LOSS</b>		<b>-105,276</b>	<b>-11</b>	<b>29,533</b>	<b>1</b>
<b>ADJUSTMENTS</b>					
1020-00-010	A/R -Tenants	-4,890	0	-6,656	0
1020-10-010	A/R - HAP	11,758	1	9,235	0
1020-20-010	A/R - Medicaid	7,509	1	-305	0
1020-20-020	A/R - Other Government	0	0	815,359	14
1020-40-010	A/R - Employees	-280	0	-630	0
1020-60-000	A/R - Other	0	0	6,300	0
1100-00-100	Prepaid Insurance - Property / Liability	34,561	3	81,966	1
1100-00-200	Prepaid Insurance - Workers Comp	2,891	0	17,346	0
1100-00-300	Prepaid Expense - Other	4,694	0	24,296	0
1200-80-000	Due from Affiliates	-189,963	-19	-163,131	-3
1300-20-100	Buildings	0	0	-100,506	-2

**Kavod Senior Life**  
**Consolidated Cash Flow Statement**  
**For the month ending June 2023**

		Period to Date	%	Year to Date	%
1300-20-200	Building Equipment - Fixed	-23,296	-2	-35,631	-1
1300-20-300	Building Equipment - Portable	0	0	-3,193	0
1300-80-100	Construction in Progress	-9,676	-1	-294,602	-5
1310-20-100	Accum Depr - Buildings	119,627	12	544,072	9
1390-00-300	Accumulated Amortization	27,932	3	27,932	0
2000-10-000	Accounts Payable	-80,675	-8	-196,988	-3
2010-10-000	Accrued Payroll Wages Payable	0	0	1,064	0
2010-20-100	Payroll Taxes Payable - 941	-1,994	0	-7,249	0
2010-30-010	Health Insurance Payable	-91	0	-29	0
2010-30-070	Transportation Benefits Payable	-512	0	-512	0
2010-30-100	Flexible Spending Account Deferrals	2,985	0	-8,196	0
2020-30-000	Due to Affiliates	189,963	19	163,131	3
2020-90-100	Deferred Comp Liability	36,000	4	36,000	1
2100-10-100	Tenant Security Deposits	-1,461	0	1,378	0
2100-10-200	Security Deposit Interest	141	0	946	0
2100-10-400	Security Deposit - Pet	300	0	-600	0
2100-10-700	Sec Dep Clearing Account	0	0	-190	0
2100-20-000	Tenant Prepaid Rents	615	0	24,214	0
2500-10-100	Construction Loan	-32,894	-3	-201,158	-3
2500-10-150	Retention Payable	0	0	-791,827	-14
<b>TOTAL ADJUSTMENTS</b>		<b>93,241</b>	<b>9</b>	<b>-58,163</b>	<b>-1</b>
<b>CASH FLOW</b>		<b>-12,035</b>	<b>-1</b>	<b>-28,630</b>	<b>0</b>

	Period to Date	Beginning Balance	Ending Balance	Difference
1000-10-000	Petty Cash	800	800	0
1000-10-100	Cash Operating - Shared	858,366	769,789	-88,577
1000-10-200	Operating	569,560	734,597	165,038
1000-10-300	ANB West LLLP	100,565	100,668	103
1000-10-500	Food Service Ops	3,968	31,024	27,056
1000-10-600	Assisted Living Ops	266,548	277,842	11,294
1000-20-000	Cash Savings	0	0	0
1000-20-100	Cash Savings 2	4,042,179	4,042,179	0
1000-30-000	Investment Accounts	2,103,698	2,103,698	0
1000-30-200	Cash Investment 3	54,123	90,123	36,000
1000-40-000	Cash Construction	0	0	0
1000-50-100	Cash Payroll	330,545	167,188	-163,357
1000-50-200	Cash FSA	56,883	56,224	-659
1000-90-999	Cash - Other	0	0	0
1010-01-000	Security Deposit	190,348	191,044	696
1010-01-100	ANB West LLLP 1839	257,496	257,867	370
1010-04-000	Cash Restricted - Reserve for Replacement	453,743	453,743	0
<b>Total Cash</b>		<b>9,460,055</b>	<b>9,448,019</b>	<b>-12,036</b>

	Year to Date	Beginning Balance	Ending Balance	Difference
1000-10-000	Petty Cash	800	800	0
1000-10-100	Cash Operating - Shared	3,001	769,789	766,788
1000-10-200	Operating	971,096	734,597	-236,499
1000-10-300	ANB West LLLP	100,357	100,668	311
1000-10-500	Food Service Ops	4,936	31,024	26,088
1000-10-600	Assisted Living Ops	248,649	277,842	29,193
1000-20-000	Cash Savings	0	0	0
1000-20-100	Cash Savings 2	4,031,095	4,042,179	11,084
1000-30-000	Investment Accounts	2,103,698	2,103,698	0

Cash Operating Bala  
as of June 30, 202  
**\$ 5,956,899**

**Kavod Senior Life**  
**Consolidated Cash Flow Statement**  
**For the month ending June 2023**

		Period to Date	%	Year to Date	%
1000-30-200	Cash Investment 3	54,123	90,123	36,000	
1000-40-000	Cash Construction	0	0	0	
1000-50-100	Cash Payroll	63,060	167,188	104,128	
1000-50-200	Cash FSA	6,919	56,224	49,304	
1000-90-999	Cash - Other	0	0	0	
1010-01-000	Security Deposit	176,121	191,044	14,923	
1010-01-100	ANB West LLLP 1839	256,643	257,867	1,223	
1010-04-000	Cash Restricted - Reserve for Replacement	453,743	453,743	0	
	<b>Total Cash</b>	<b>9,476,651</b>	<b>9,448,019</b>	<b>-28,630</b>	



August 4, 2023

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. General Project completion is complete, pending some remaining electrical work, Unit 913E, and final inspections. Final Inspections are anticipated in **late-August/early September 2023**.

**Project construction is generally complete, with completion of Unit 913E anticipated the week of August 11, and final City Inspections set to occur toward the end of August 2023, pending confirmation from Peak Elevators that they can be onsite to allow required elevator work. Peak Elevators are scheduled to be on site on August 9, 2023.**

**B. SCHEDULE TO COMPLETION:**

**Week of June 23, 2023:**

- Elevator shunt-trips disconnects are installed in all three buildings. - **COMPLETE**

**Week of August 7, 2023 - PENDING**

- Peak Elevator will be engaged to shut down elevators – **Scheduled for Wednesday, August 9, 2023.**
- Duro will install two (2) required heat detectors in the elevator elevators – **Scheduled for Wednesday, August 9, 2023.**
- Frontier Fire will address all newly installed equipment, shunts, heat detectors, etc. – **Scheduled for Wednesday, August 9, 2023.**
- Pinkard to install the unit heater – **Scheduled for Monday, August 7, 2023.**

**Week of August 14, 2023**

- Duro will connect the unit heater to the circuit panel and energize.

**Week of August 21, 2023:**

- Pinkard to remove the temporary basement office prior to inspection. - **COMPLETE**
- Pinkard to schedule elevator inspections.
  - Chiller reinspection will occur simultaneously

- City of Denver Life Safety Inspections.
- City of Denver Final Inspections/project complete.

**C. OTHER CONCERNS:**

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

Units 131S and 225S continue to have issues with the FCU.

- **Tracy's Office** – System has been adjusted with replacement of some unit parts and reprogrammed the system. No reported issues since repairs were made in late-July 2023.
- **UNIT 131S** – Replaced unit components and is now working with no reported issues since the repairs.
- **UNIT 225S** – No reported issues since the last repair in July 2023.
- Pinkard continues to respond under the project warranty.
- Response has been provided by Mountain Aire and Trane.

**Kavod Cooling Issues - RESOLVED**

- Pinkard had the system tested for flow rates now that the system is in cooling mode.
  - System flows tested above design requirements at pumps and ground levels.
  - System flows at the upper floor have been tested; however, the team is awaiting a response to confirm the flow.
- No issues are anticipated.
- To date, cooling has been satisfactory, except in the units identified, which are FCU unit-related, not system-wide design or installation issues.

**Smoke Detectors:**

Kiddie smoke detector swap-outs are complete.

- Return of Kidde Units has occurred; any credits are pending receipts and will be issued in the upcoming month(s). Marx|Okubo has followed up with Derek at Pinkard on the status of the credit; however, Derek is on vacation, and has not yet responded.
- During the July 13, 2023 OAC meeting, Pinkard indicated that they will apply the Kidde credit to the elevator shunt-trip work to determine the actual remaining savings.

**D. CONSTRUCTION BUDGET**

Pinkard has billed 100% of the work, including retainage, per Kavod's request. The final contract amount of \$9,578,769, was processed in January 2023.

Kavod Executed Change Orders:

- 1) None this period

Kavod Pending Change Orders:

- 1) Pinkard Construction:  
Labor and Materials for the Shunt-Trip Disconnects - ROM \$30,000

This cost may be offset by the Kiddie Fire Alarm Credit

## Kavod Senior Life

### Fiscal Committee Meeting Minutes - July 13, 2023\*

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***\*Held using Zoom, with all participants able to hear and speak during the meeting.***

Members Present: Connell Saltzman (Chair), Brian Botnick, Rob Friedman, and Molly Zwerdlinger.

Staff Present: Michael Klein and John McCarthy.

The meeting was called to order at 8:05 AM.

Connell asked if there were any questions or comments regarding the June 20, 2023 Fiscal Committee Meeting Minutes, but deferred approval to a subsequent meeting due to the absence of a quorum of Committee members.

John reviewed key elements of the May 2023 Financial Statements. Total Revenue exceeds budget by \$72K YTD, and is due primarily to the April 1<sup>st</sup> increase in Housing Assistance Payments (HAP) and unexpected interest received from the Employee Retention Credit (ERC) payment. Kavod received notification of a \$500K capital grant award from The Harry and Jeanette Weinberg Foundation to support the renovation costs of the East, West, and South buildings. The grant will be disbursed in two installments over 2023 and 2024. Operating expenses exceed budget by \$117K YTD, and is driven largely by maintenance-related costs and administrative salary and benefit charges. Net Income is \$54K better than budget expectations YTD.

Although a quorum of Committee members was not established for the meeting, Connell asked for approval of the May 2023 Financial Statements from those in attendance. Rob motioned for approval, and Brian seconded. The motion passed.

Since Max Reiner with Marx/Okubo was on a scheduled vacation, John provided a brief update on the remaining construction activities and projected timeline to completion. The electrical shunt-trip disconnect breakers for the elevators were installed and tested June 21<sup>st</sup> through June 23<sup>rd</sup>. With the shunt-trip breaker project complete, two required heat detectors need to be installed in the elevator shafts to complete this phase of work. The installation of the heat detectors requires the coordination of several sub-contractors, but is expected to occur by the end of July. Final elevator inspections will likely occur in early August.

On June 28<sup>th</sup>, the eviction of unit 913 was completed by the Denver Sheriff. The resident was not present at the time of the eviction, but all of the resident's personal items were removed from the unit. Pinkard is currently coordinating the completion of all unfinished construction projects in unit 913.

Final City of Denver inspections are expected by mid-August, completing the project.

Pinkard continues to address a few ongoing issues with Fan Coil Units (FCU) in the South building (#131S & #225S) through the warranty process.

John provided an update on the status of the 2022 financial audit. The audit team is scheduled to resume work on the consolidated statement and opinion the week of July 17<sup>th</sup>. It is unclear if the audit team has all supporting documentation necessary to complete the process quickly. Kavod staff have provided everything requested to date.

Rob suggested that the Fiscal Committee conduct a post-audit review of Comer/Nowling's performance.

As requested by the Kavod Senior Life Board of Directors, the Fiscal Committee conducted a preliminary discussion on a formalized Investment Policy for Kavod Senior Life. Brian suggested that it might be beneficial to place excess funds with a firm similar to Syntrinsic, and manage the invested assets similar to the Kavod Foundation. Connell outlined the following items to begin developing the Investment Policy:

- Review and evaluate the existing Investment Policy for the Kavod Foundation as a potential guide.
- Review where all Kavod Senior Life cash reserves are deposited/invested, and what returns the cash is generating.
- Determine ongoing operating cash needs, including debt service and loan repayment plans, to establish baseline cash requirements.

With no further agenda items or discussion topics, the meeting adjourned at 9:00 AM.

The next Fiscal Committee Meeting is scheduled for 8:00 AM, August 15, 2023 using Zoom.

## Notes to May 2023 Financial Statements

The following represents a summary analysis of significant items reflected in the May 2023 financial statements. All financial statistics are considered preliminary and subject to change, pending independent review by Kavod Senior Life's contracted auditing firm.

### June 2023 Outlook:

- The April 1<sup>st</sup> increase in Housing Assistance Payments (HAP) continues to contribute an additional \$65K of rent revenue above budgeted expectations for the month.
- An increase in Assisted Living vacancy will negatively affect revenue performance for June, potentially continuing into late summer.
- On June 20<sup>th</sup>, Kavod received notification of a capital grant award from The Harry and Jeanette Weinberg Foundation in the amount of \$500,000 (\$250,000 for 2023 and \$250,000 for 2024) to support the renovation costs of the East, West, and South buildings.
- For 2023, June and December have three payroll pay dates. The budget does not accommodate this third pay date in June, but reflects it in July. This will cause a significant negative expense fluctuation in June, which should correct the following month.
- Maintenance supply and contract costs continue to stabilize in June, however, total expense in these categories exceed budget by \$72K YTD.
- The implementation process with Paylocity, the new payroll services company, began mid-May with the first scheduled payroll cycle occurring on July 14<sup>th</sup>.

### May 2023:

#### Cash:

- Operating Cash increased \$790K from April to May, ending the month at \$5.8M. On May 19<sup>th</sup>, Kavod received payment for the outstanding Employee Retention Tax Credits (ERC), contributing significantly to this increase.
- Total Cash for May is \$9.5M versus \$8.4M at the end of the prior month.

#### Balance Sheet changes YTD:

- With the receipt of the \$815K ERC payment, total Cash at the end of May is roughly \$17K lower than total Cash at January 1<sup>st</sup>. The ERC payment nearly offsets the final construction retention of \$831K paid in January/February.
- Accounts Receivable is \$809K lower at the end of May compared to the beginning of the year and reflects the settlement of the outstanding ERC amount due. The current Accounts Receivable balance reflects tenant rent and subsidy payments due.
- With the completion of the 2022 Audit for the East, West, and South entities, final adjusting entries are now reflected in the 2023 beginning balances.

#### Statement of Activities:

- Net income is \$54K better than budget expectations YTD, reflecting a net profit of \$135K. For the month, net income is \$138K compared to a budgeted net income of \$67K.

**Revenue:**

- Total Revenue is \$4.78M YTD compared to a budget of \$4.70M. The \$72K favorable variance YTD reverses a revenue shortfall from the first quarter, and is attributed to the increase in Housing Assistance Payments (HAP) that became effective on April 1<sup>st</sup> and the receipt of \$35K of unexpected interest from the ERC payment.
- Rent revenue exceeds budget by \$118K YTD, with \$135K greater than projected HAP subsidies. There were four units vacant in May.
- Total Adjustments of \$20K YTD represents rent loss for the two Night Manager apartments, as well as any concessions provided to prospective residents to lease market rate units.
- Total Tenant Charges is comprised of rents for leased space from CU Medicine and Legacy Healthcare, and revenue from laundry machine usage.
- Food Service Revenue is below budget by \$12K YTD. The unfavorable variance YTD includes a \$6K adjustment in April for revenue posted in error for a prior period. There were 45 meal exemptions in May.
- Assisted Living Revenue is below budget by \$11K YTD, with three units becoming vacant at the end of May. As in previous months, the number of units occupied with Medicaid residents is greater than budget. Leasing and Assisted Living staff continue to target market rate applicants to realign the ratio of Market and Medicaid units to budget.
- Grant Revenue is below budget by \$65K YTD. Several grant requests have been submitted, with decisions pending in Q2.
- Other Revenue exceeds budget by \$44K, and reflects the receipt of \$35K of unexpected interest from the ERC payment.

**Expenses:**

- Total Operating Expenses are \$4M YTD compared to a budget of \$3.9M. The \$117K unfavorable variance YTD is roughly 3% higher than budget expectations.
- Total Administrative Expenses exceed budget by \$76K YTD, and is comprised of the following:
  - Salaries and Benefits exceed budget by \$62K YTD. Of this total, \$10K is attributed to retroactive annual salary increases for management staff members, \$20K for annual incentives that exceeded budgeted expectations, \$18K for accrued earned vacation paid to the previous CFO upon his resignation, and \$14K for associated payroll taxes.
  - Professional Fees exceed budget by \$12K YTD. Legal expense is over budget by \$15K YTD due to costs associated with the recent Fair Housing Audit and an ongoing resident eviction. Audit fees of \$17K were paid in May, with the completion of the 2022 financial audits of the East, West, and South entities.
  - Other Administrative Expense exceeds budget by \$2K YTD, and is due largely to the timing of several software and network licensing renewals.
- Utility Expense exceeds budget by \$4K YTD. Gas charges exceed budget by \$13K YTD. Electricity charges are below budget by \$10K YTD, reflecting \$18K of savings due to Community Solar Rewards credits received through May.
- Maintenance and Operational Expenses exceed budget by \$112K YTD, and is comprised of the following:

- Temporary Labor exceeds budget by \$38K YTD. Open full time positions continue to require the use of temporary staffing to keep pace with apartment work orders.
- Supplies exceed budget by \$69K YTD. Greater than expected apartment turnover, as well as returning previously vacant units for construction activity to rentable status has pushed supply expense beyond budgeted expectations.
- Contract – Building Repairs exceeds budget by \$41K YTD. In addition to apartment turnover costs, various mechanical, plumbing, and carpet installation needs have pushed repair costs beyond budgeted expectations.
- Food Service Expense is below budget by \$49K YTD. Temporary staffing needs and Food and Beverage costs are both less than budgeted expectations YTD.
- Total Non-Profit Expenses are below budget by \$2K. Kavod on the Road Program expense is \$32K below budget YTD, with the savings expected to be temporary, as upcoming scheduled events will utilize these funds. Likewise, Fundraising Expense is \$21K below budget YTD, with the planned annual fundraising event occurring in August. Grant Expense exceeds budget by \$36K YTD, with Passover Food (\$18K) the largest contributor to the overage. A \$20K donation was received in March to cover this expense, and is reflected in Non-Profit Revenue.

**Net Operating Income:**

- Net Operating Income is \$753K YTD compared to a budget of \$797K. With a \$45K unfavorable variance, operating income is roughly 6% lower than expected YTD.

**Non-Operating Expenses:**

- Non-Operating Expenses are below budget by \$98K YTD. Budgeted Deferred Compensation of \$36K will be paid in June, reducing this favorable variance by nearly a third.

**Capital Items:**

- Painting costs totaling \$22K were paid in May for updates to the East building corridors and elevator lobbies. Of the \$923K allocated for 2023 capital projects, \$381K has been spent YTD.



**Kavod Senior Life**  
**Summary Statement of Activities (with PTD)**  
**For the month ending May 2023**

7/10/2023 11:18 AM

	MTD Actual	MTD Budget	Variance	% Var	YTD Actual	YTD Budget	Variance	% Var	Annual	
<b>REVENUE</b>										
5000-99-999	TOTAL RENT REVENUE	\$ 772,738	\$ 706,169	\$ 66,569	\$ 9	\$ 3,590,979	\$ 3,472,610	\$ 118,369	\$ 3	\$ 8,398,796
5000-40-400	TOTAL ADJUSTMENTS	-4,350	-3,852	-498	-13	-20,256	-19,260	-996	-5	-46,224
	TOTAL TENANT CHARGES	2,156	1,338	819	61	6,954	5,214	1,739	33	14,579
<b>5000-99-999</b>	<b>TOTAL RENTAL INCOME</b>	<b>770,544</b>	<b>703,655</b>	<b>66,889</b>	<b>10</b>	<b>3,577,677</b>	<b>3,458,564</b>	<b>119,112</b>	<b>3</b>	<b>8,367,151</b>
	TOTAL FOOD SERVICE	97,997	100,854	-2,858	-3	486,233	498,271	-12,038	-3	1,200,250
5310-99-999	TOTAL ASSISTED LIVING REVENUE	95,279	96,404	-1,125	-1	444,553	456,020	-11,467	-3	1,140,848
5320-99-999	TOTAL ACTIVITY REVENUE	2,281	1,989	292	15	8,577	9,592	-1,015	-11	24,313
5600-99-999	TOTAL NON-PROFIT REVENUE	26,703	38,821	-12,118	-31	153,210	154,105	-894	-1	463,496
5610-99-999	TOTAL GRANT REVENUE	0	23,058	-23,058	-100	50,000	115,292	-65,292	-57	286,700
5900-99-998	TOTAL OTHER REVENUE	36,725	2,558	34,167	1,336	56,895	12,836	44,060	343	29,594
<b>5900-99-999</b>	<b>TOTAL REVENUE</b>	<b>1,029,528</b>	<b>967,340</b>	<b>62,188</b>	<b>6</b>	<b>4,777,144</b>	<b>4,704,679</b>	<b>72,466</b>	<b>1</b>	<b>11,512,352</b>
<b>6000-00-000 EXPENSES</b>										
6000-99-999	TOTAL ADMIN SALARIES AND BENEFITS	126,648	131,651	5,003	4	774,929	712,685	-62,244	-9	1,755,139
6010-99-999	TOTAL PROFESSIONAL FEES	17,357	6,326	-11,031	-174	41,698	29,967	-11,731	-39	59,252
6020-99-999	TOTAL MANAGEMENT FEE EXPENSE	1,004	1,004	0	0	5,021	5,020	-1	0	12,048
6040-99-998	TOTAL OTHER ADMINISTRATIVE EXPENSES	23,987	27,139	3,152	12	142,997	141,308	-1,690	-1	331,674
<b>6040-99-999</b>	<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>168,996</b>	<b>166,120</b>	<b>-2,876</b>	<b>-2</b>	<b>964,645</b>	<b>888,980</b>	<b>-75,665</b>	<b>-9</b>	<b>2,158,113</b>
6100-99-999	TOTAL MARKETING AND ADVERTISING	2,077	5,597	3,520	63	19,320	25,403	6,083	24	63,565
6400-99-999	TOTAL UTILITY EXPENSES	36,740	33,788	-2,952	-9	171,976	167,994	-3,982	-2	404,577
6500-99-999	TOTAL REPAIRS AND MAINTENANCE EXPENSES	85,081	82,822	-2,259	-3	436,872	417,137	-19,735	-5	1,049,765
6510-99-999	TOTAL MATERIALS	33,356	24,634	-8,722	-35	183,405	118,917	-64,488	-54	283,302
6520-99-998	TOTAL CONTRACT COSTS	53,499	60,571	7,072	12	346,618	318,710	-27,908	-9	740,609
<b>6520-99-999</b>	<b>TOTAL MAINTENANCE AND OPERATIONAL EXPENSES</b>	<b>171,935</b>	<b>168,027</b>	<b>-3,909</b>	<b>-2</b>	<b>966,895</b>	<b>854,764</b>	<b>-112,131</b>	<b>-13</b>	<b>2,073,676</b>
6700-99-999	TOTAL TAXES AND INSURANCE	35,257	33,021	-2,236	-7	152,957	164,603	11,646	7	395,048
6900-99-999	TOTAL FOOD SERVICE	141,357	137,923	-3,435	-1	672,325	721,300	48,976	7	1,758,182
6910-99-999	TOTAL ASSISTED LIVING EXPENSE	79,126	78,740	-385	0	388,781	396,064	7,282	2	983,808
6920-99-999	TOTAL ACTIVITY PROGRAM EXPENSE	43,649	46,014	2,364	5	225,149	224,268	-881	0	563,361
6930-99-999	TOTAL RESIDENT COMPUTER CENTER	9,700	7,624	-2,076	-27	38,504	38,120	-384	-1	98,793
6940-99-999	TOTAL SERVICE COORDINATOR EXPENSE	30,740	30,823	83	0	152,030	151,603	-426	0	401,157
7009-99-999	TOTAL OTHER INCOME / EXPENSE	-18	8	27	319	-37	42	78	188	100
8000-99-999	TOTAL NON-PROFIT EXPENSES	49,662	56,821	7,160	13	271,789	274,057	2,268	1	676,147
<b>8999-99-998</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>769,220</b>	<b>764,506</b>	<b>-4,715</b>	<b>0</b>	<b>4,024,334</b>	<b>3,907,198</b>	<b>-117,136</b>	<b>-3</b>	<b>9,576,527</b>
<b>8999-99-999</b>	<b>NET OPERATING INCOME / LOSS</b>	<b>260,307</b>	<b>202,834</b>	<b>57,474</b>	<b>29</b>	<b>752,810</b>	<b>797,480</b>	<b>-44,670</b>	<b>-5</b>	<b>1,935,825</b>
<b>9019-99-999</b>	<b>TOTAL NON-OPERATING EXPENSES</b>	<b>122,250</b>	<b>136,046</b>	<b>13,796</b>	<b>9</b>	<b>618,000</b>	<b>716,228</b>	<b>98,229</b>	<b>14</b>	<b>1,660,548</b>
<b>9999-99-998</b>	<b>NET INCOME / LOSS</b>	<b>\$ 138,058</b>	<b>\$ 66,788</b>	<b>\$ 71,270</b>	<b>\$ 107</b>	<b>\$ 134,810</b>	<b>\$ 81,252</b>	<b>\$ 53,558</b>	<b>\$ 66</b>	<b>\$ 275,277</b>
							\$ (1,691)			

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

**Kavod Senior Life**  
**Summary Balance Sheet (With Period Change)**  
**For the month ending May 2023**

	Beginning	Balance	Balance	Net
	Balance January 2023	Apr-23	May-23	Change
<b>1000-00-001 ASSETS</b>				
<b>1000-00-003 CASH</b>				
UNRESTRICTED CASH	\$ 7,587,735	\$ 7,416,785	\$ 8,387,234	\$ 799,499
1010-99-998 RESTRICTED CASH	1,888,914	1,069,736	1,072,820	(816,094)
<b>1010-99-999 TOTAL CASH</b>	<b>9,476,649</b>	<b>8,486,521</b>	<b>9,460,054</b>	<b>(16,595)</b>
1020-90-999 ACCOUNTS AND NOTES RECEIVABLE	932,777	933,969	123,570	(809,207)
1100-00-999 PREPAID EXPENSES	313,279	282,923	231,816	(81,463)
1200-90-999 OTHER CURRENT ASSETS	4,410,145	4,306,440	4,320,314	(89,831)
<b>1200-99-999 CURRENT ASSETS</b>	<b>4,410,145</b>	<b>4,306,440</b>	<b>4,320,314</b>	<b>(89,831)</b>
1300-99-999 PROPERTY AND EQUIPMENT	37,735,680	38,029,813	38,136,639	400,959
1310-90-999 ACCUMULATED DEPRECIATION AND AMORTIZATION	-19,642,888	-19,982,444	-20,067,333	(424,445)
<b>1310-99-999 NET PROPERTY AND EQUIPMENT</b>	<b>18,092,792</b>	<b>18,047,369</b>	<b>18,069,306</b>	<b>(23,486)</b>
<b>1399-99-998 OTHER NONCURRENT ASSETS</b>	<b>479,538</b>	<b>479,538</b>	<b>479,538</b>	<b>-</b>
<b>1999-99-999 TOTAL ASSETS</b>	<b>33,705,180</b>	<b>32,536,760</b>	<b>32,684,598</b>	<b>(1,020,582)</b>
<b>2000-00-000 LIABILITIES AND EQUITY / FUND BALANCE</b>				
2000-99-999 ACCOUNTS PAYABLE	330,584	152,712	214,271	(116,313)
2010-90-999 ACCRUAL PAYROLL AND BENEFITS	274,969	261,270	259,659	(15,310)
2020-99-998 OTHER CURRENT LIABILITES	3,684,785	3,608,773	3,594,954	(89,831)
2020-99-999 CURRENT LIABILITIES	4,290,338	4,022,755	4,068,883	(221,455)
2100-99-999 DEPOSITS AND PREPAID LIABILITIES	177,153	205,568	203,307	26,154
2500-99-999 MORTGAGE AND NOTES PAYABLE	15,831,809	14,905,804	14,871,718	(960,091)
	<b>20,299,300</b>	<b>19,134,127</b>	<b>19,143,908</b>	<b>(1,155,392)</b>
<b>2999-99-999 TOTAL LIABILITIES</b>				
3000-99-999 CONTRIBUTED CAPITAL	904,139	904,139	904,139	-
3600-99-997 RETAINED EARNINGS / FUND BALANCE	12,501,741	12,498,494	12,636,551	134,810
3999-99-998 EQUITY / FUND BALANCE	13,405,880	13,402,633	13,540,690	134,810
<b>3999-99-999 TOTAL LIABILITIES AND EQUITY / FUND BALANCE</b>	<b>\$ 33,705,180</b>	<b>\$ 32,536,760</b>	<b>\$ 32,684,598</b>	<b>(1,020,582)</b>

**Kavod Senior Life**  
**Consolidated Cash Flow Statement**  
**For the month ending May 2023**

	Period to Date	%	Year to Date	%	
<b>REVENUE</b>					
5000-99-999	TOTAL RENT REVENUE	772,738	77	3,590,979	76
5010-00-999	TOTAL ADJUSTMENTS	-4,350	0	-20,256	0
5020-99-999	TOTAL TENANT CHARGES	2,156	0	6,954	0
5300-00-999	TOTAL FOOD SERVICE	97,997	8	486,233	9
5310-99-999	TOTAL ASSISTED LIVING REVENUE	95,279	9	444,553	9
5320-99-999	TOTAL ACTIVITY REVENUE	2,281	0	8,577	0
5600-99-999	TOTAL NON-PROFIT REVENUE	26,703	3	153,210	3
5610-99-999	TOTAL GRANT REVENUE	0	0	50,000	1
5900-99-998	TOTAL OTHER REVENUE	36,725	4	56,895	1
	<b>TOTAL REVENUE</b>	<b>1,029,528</b>	<b>100</b>	<b>4,777,144</b>	<b>100</b>
<b>EXPENSES</b>					
6000-99-999	TOTAL ADMIN SALARIES AND BENEFITS	126,648	13	774,929	16
6010-99-999	TOTAL PROFESSIONAL FEES	17,357	2	41,698	1
6020-99-999	TOTAL MANAGEMENT FEE EXPENSE	1,004	0	5,021	0
6040-99-998	TOTAL OTHER ADMINISTRATIVE EXPENSES	23,987	2	142,997	3
6040-99-999	TOTAL ADMINISTRATIVE EXPENSES	168,996	17	964,645	20
6100-99-999	TOTAL MARKETING AND ADVERTISING	2,077	0	19,320	0
6400-99-999	TOTAL UTILITY EXPENSES	36,740	4	171,976	4
6500-99-999	TOTAL REPAIRS AND MAINTENANCE EXPENSES	85,081	8	436,872	9
6510-99-999	TOTAL MATERIALS	33,356	3	183,405	4
6520-99-998	TOTAL CONTRACT COSTS	53,499	5	346,618	7
6520-99-999	TOTAL MAINTENANCE AND OPERATIONAL EXPENSES	171,935	17	966,895	21
6700-99-999	TOTAL TAXES AND INSURANCE	35,257	3	152,957	3
6900-99-999	TOTAL FOOD SERVICE	141,357	14	672,325	14
6910-99-999	TOTAL ASSISTED LIVING EXPENSE	79,126	6	388,781	7
6920-99-999	TOTAL ACTIVITY PROGRAM EXPENSE	43,649	4	225,149	5
6930-99-999	TOTAL RESIDENT COMPUTER CENTER	9,700	1	38,504	1
6940-99-999	TOTAL SERVICE COORDINATOR EXPENSE	30,740	3	152,030	3
7009-99-999	TOTAL OTHER INCOME / EXPENSE	-18	0	-37	0
8000-99-999	TOTAL NON-PROFIT EXPENSES	49,662	5	271,789	6
	<b>TOTAL EXPENSES</b>	<b>769,220</b>	<b>74</b>	<b>4,024,334</b>	<b>84</b>
	<b>NET OPERATING INCOME / LOSS</b>	<b>260,307</b>	<b>26</b>	<b>752,810</b>	<b>16</b>
	<b>TOTAL NON-OPERATING EXPENSES</b>	<b>122,250</b>	<b>12</b>	<b>618,000</b>	<b>13</b>
	<b>NET INCOME / LOSS</b>	<b>138,057</b>	<b>14</b>	<b>134,810</b>	<b>3</b>
<b>ADJUSTMENTS</b>					
1020-00-010	A/R -Tenants	411	0	-1,765	0
1020-10-010	A/R - HAP	712	0	-2,523	0
1020-20-010	A/R - Medicaid	-6,183	-1	-7,814	0
1020-20-020	A/R - Other Government	815,359	81	815,359	17
1020-40-010	A/R - Employees	100	0	-350	0
1020-60-000	A/R - Other	0	0	6,300	0
1100-00-100	Prepaid Insurance - Property / Liability	34,561	3	47,405	1
1100-00-200	Prepaid Insurance - Workers Comp	10,727	1	14,455	0
1100-00-300	Prepaid Expense - Other	5,819	1	19,602	0
1200-80-000	Due from Affiliates	-13,874	-1	89,831	2
1300-20-100	Buildings	-100,506	-10	-100,506	-2
1300-20-200	Building Equipment - Fixed	0	0	-12,335	0
1300-20-300	Building Equipment - Portable	0	0	-3,193	0
1300-80-100	Construction in Progress	-6,320	-1	-284,926	-6

**Kavod Senior Life**  
**Consolidated Cash Flow Statement**  
**For the month ending May 2023**

		Period to Date	%	Year to Date	%
1310-20-100	Accum Depr - Buildings	84,889	8	424,445	9
2000-10-000	Accounts Payable	61,559	6	-116,313	-2
2010-10-000	Accrued Payroll Wages Payable	0	0	1,064	0
2010-20-100	Payroll Taxes Payable - 941	-1,323	0	-5,255	0
2010-30-010	Health Insurance Payable	-87	0	62	0
2010-30-070	Transportation Benefits Payable	-167	0	0	0
2010-30-100	Flexible Spending Account Deferrals	-34	0	-11,181	0
2020-20-000	Accrued Utilities	-4,968	0	0	0
2020-30-000	Due to Affiliates	-8,851	-1	-89,831	-2
2100-10-100	Tenant Security Deposits	-773	0	2,839	0
2100-10-200	Security Deposit Interest	182	0	806	0
2100-10-400	Security Deposit - Pet	-1,200	0	-900	0
2100-10-700	Sec Dep Clearing Account	1,036	0	-190	0
2100-20-000	Tenant Prepaid Rents	-1,506	0	23,599	1
2500-10-100	Construction Loan	-34,086	-3	-168,264	-4
2500-10-150	Retention Payable	0	0	-791,827	-17
<b>TOTAL ADJUSTMENTS</b>		<b>835,476</b>	<b>83</b>	<b>-151,405</b>	<b>-3</b>
<b>CASH FLOW</b>		<b>973,533</b>	<b>97</b>	<b>-16,595</b>	<b>0</b>

	Period to Date	Beginning Balance	Ending Balance	Difference	
1000-10-000	Petty Cash	800	800	0	
1000-10-100	Cash Operating - Shared	85,446	858,366	772,921	
1000-10-200	Operating	504,919	569,560	64,640	
1000-10-300	ANB West LLLP	100,519	100,565	45	
1000-10-500	Food Service Ops	26,042	3,968	-22,075	
1000-10-600	Assisted Living Ops	291,704	266,548	-25,157	
1000-20-000	Cash Savings	0	0	0	
1000-20-100	Cash Savings 2	4,042,179	4,042,179	0	
1000-30-000	Investment Accounts	2,103,698	2,103,698	0	
1000-30-200	Cash Investment 3	54,123	54,123	0	
1000-40-000	Cash Construction	0	0	0	
1000-50-100	Cash Payroll	147,878	330,545	182,667	
1000-50-200	Cash FSA	59,477	56,883	-2,593	
1000-90-999	Cash - Other	0	0	0	
1010-01-000	Security Deposit	187,493	190,348	2,855	
1010-01-100	ANB West LLLP 1839	257,267	257,496	229	
1010-04-000	Cash Restricted - Reserve for Replacement	453,743	453,743	0	
<b>Total Cash</b>		<b>8,486,521</b>	<b>9,460,054</b>	<b>973,533</b>	
	Year to Date	Beginning Balance	Ending Balance	Difference	
1000-10-000	Petty Cash	800	800	0	
1000-10-100	Cash Operating - Shared	3,001	858,366	855,365	
1000-10-200	Operating	971,096	569,560	-401,537	
1000-10-300	ANB West LLLP	100,357	100,565	208	
1000-10-500	Food Service Ops	4,936	3,968	-968	Cash Operating Bala
1000-10-600	Assisted Living Ops	248,649	266,548	17,899	as of May 31, 202
1000-20-000	Cash Savings	0	0	0	\$ 5,841,986
1000-20-100	Cash Savings 2	4,031,095	4,042,179	11,084	
1000-30-000	Investment Accounts	2,103,698	2,103,698	0	
1000-30-200	Cash Investment 3	54,123	54,123	0	
1000-40-000	Cash Construction	0	0	0	
1000-50-100	Cash Payroll	63,060	330,545	267,485	
1000-50-200	Cash FSA	6,919	56,883	49,964	

**Kavod Senior Life**  
**Consolidated Cash Flow Statement**  
**For the month ending May 2023**

		Period to Date	%	Year to Date	%
1000-90-999	Cash - Other	0	0	0	
1010-01-000	Security Deposit	176,121	190,348	14,227	
1010-01-100	ANB West LLLP 1839	256,643	257,496	853	
1010-04-000	Cash Restricted - Reserve for Replacement	453,743	453,743	0	
	<b>Total Cash</b>	<b>8,645,474</b>	<b>9,460,054</b>	<b>814,580</b>	

## **Kavod Senior Life**

### **Fiscal Committee Meeting Minutes - June 20, 2023 (Held Using Zoom)**

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Members Present: Brian Botnick, Rob Friedman, Rodi Liv, Perry Moss, Joey Simon, and Molly Zwerdlinger.

Staff Present: Michael Klein, Tracy Kapaun, and John McCarthy.

Guests: Max Reiner with Marx/Okubo.

The meeting was called to order at 8:03 AM.

Max with Marx/Okubo provided an update on the remaining construction activities and projected timeline to completion. The electrical shunt-trip disconnect breakers for the elevators were delivered, with installation beginning June 21<sup>st</sup>. The project will start with the West building, followed by the South and East buildings over a three-day period. Once the shunt-trip breaker installation is complete, two required heat detection heads will be installed in the elevator shafts to complete this phase of work. Final elevator inspections will likely occur mid- July, along with an inspection of the chiller. Demolition of the Pinkard temporary office will occur before the final City of Denver inspections, which are anticipated to happen by August 4<sup>th</sup> to complete the project.

Perry inquired about the status of unit 913. Michael responded that the eviction should occur soon, but that we are waiting for the Sheriff and mental health unit to coordinate a plan. Max indicated that work could begin in unit 913 within several weeks of the eviction and removal of the resident's personal items.

Max briefly discussed the upcoming heating/cooling system flow testing now that the summer months have arrived. He also identified two problematic Fan Coil Units (FCU) in the South building (#131S & #225S) that Pinkard is addressing through the warranty process.

Max reported that he had no update on the credit due for the return of incorrect smoke alarms, but indicated that Kavod will likely receive a credit against remaining project invoicing rather than a check payment.

Max completed his update, and he exited the meeting.

Joey asked if there were any questions or comments regarding the April 20, 2023 and May 16, 2023 Fiscal Committee Meeting Minutes. Rob motioned for approval, and Molly seconded. The motion passed.

John reviewed key elements of the March and April 2023 Financial Statements. The April 1<sup>st</sup> increase in Housing Assistance Payments (HAP) will contribute approximately \$65K of additional revenue per month above budget expectations. While the increase was anticipated, it was not reflected in the 2023 Budget. Grant revenue is below budget YTD, but receipt of the \$50K

Daniels Fund grant improved YTD performance in April. Operating expenses exceed budget by \$112K through April, and is driven largely by maintenance-related costs and administrative salary and benefit charges.

Brian raised the possibility of comparing Kavod financial performance to various industry benchmarks. He acknowledged that Kavod is a unique entity, but benchmarking may provide helpful analysis.

Given the challenging performance in several categories, Rob suggested revisiting the 2023 Budget after presentation of the June financials.

With no further agenda items or discussion topics, the meeting adjourned at 9:00 AM.

The next Fiscal Committee Meeting is scheduled for 8:00 AM, July 13, 2023 using Zoom.

## **Kavod Senior Life Foundation**

### **Board Meeting Minutes – May 19, 2023 (Held Using Zoom)**

Members Present: Perry Moss (Chair), Jay Mactas, Alan Reifler, Jan Schorr, Kevin Shuller, Joey Simon, Yolanda Webb, and Molly Zwerdlinger.

Staff Present: Michael Klein and John McCarthy.

Guests: Ben Valore-Caplan and Jim Brauer with Syntrinsic.

The meeting was called to order at 8:00 AM.

On May 1, 2023, Syntrinsic clients were notified that Syntrinsic Investment Counsel had signed an agreement to join IMA Financial Group, with completion of the transaction expected to occur by July 31, 2023. Ben with Syntrinsic joined the meeting to provide details of the decision to join IMA, to assure clients of the relatively few changes that would occur, and answer questions. Ben indicated that Syntrinsic had been examining long term strategies for the organization's future that would continue to leverage the company's strengths. Syntrinsic will retain its name and autonomy, but will become an owned subsidiary of IMA Financial Group. The current Syntrinsic team of fifteen employees will remain intact, as well as the organization's strong client service model. Ben indicated that partnering with IMA will allow Syntrinsic to gain access to IMA's many resources, including its nearly two thousand employees and client network. Ben stated that IMA are solid capital partners and a strong cultural fit for Syntrinsic, and is asking for client consent for the transaction.

Questions were raised about IMA's interest in Syntrinsic. Ben indicated that IMA is primarily a private insurance brokerage company, and that Syntrinsic will allow IMA to expand into wealth management, diversifying IMA's services portfolio.

Questions were also raised about the timing of the change, and if there were specific motivations. Ben responded that there has been much consolidation in the industry, and Syntrinsic was receiving inquiries from other companies about merging. Syntrinsic began examining potential acquisition strategies in 2021 as a result, and retained an advisor to explore options in early 2022. Ben indicated that Syntrinsic did not have a need to merge with another organization, but further exploration revealed potential benefit in a relationship with IMA.

Michael commented that Syntrinsic has been a good philanthropic partner, and asked if further sponsorship or donation decisions would be handled by IMA. Ben responded that Syntrinsic will continue to handle these requests.



Ben completed his update and exited the meeting.

Jim with Syntrinsic reviewed Q1 2023 investment performance and overall capital market indicators. He stated that overall performance was good considering the higher market volatility for the first three months of the year. With \$6.2M of invested assets, the YTD return was 5%, lagging behind the benchmark of 6.1%. US Equities led overall performance. Jim indicated that ISHARES and SCHWAB both had some banking exposure risk due to the recent bank failures, but that it appeared minimal.

Questions were raised concerning GRANDEUR PEAK's underperformance, and if the managers deviated from their plan. Jim responded that they simply hit a rough patch.

Summarizing the capital markets, Jim discussed the high market volatility, unexpected bank failures, and geopolitical uncertainty that influenced performance in the first quarter. Syntrinsic believes that while the banking crisis was surprising, they think it is largely contained. Jim stated that there is greater confidence in the markets than last summer, but consumer sentiment remains challenging. Syntrinsic is not recommending any changes to the Foundation's current portfolio.

Perry asked if Syntrinsic was anticipating that interest rates would stabilize in 2023. Jim responded that the current assessment is that the Federal Reserve will pause or slow future interest rate increases.

Michael asked if the Congressional debt ceiling standoff is of concern. Jim indicated that it will likely be resolved, and that the markets appear to be demonstrating optimism with some of the most current progress.

Jim completed his update and exited the meeting.

Perry asked if further discussion was needed regarding the Syntrinsic and IMA merger and asked for a motion to provide client consent for the transaction. Molly motioned for approval, and Joey seconded. The motion passed with all in agreement.

With no further agenda items or discussion topics, the meeting was adjourned at 9:00 AM.

The next Foundation Board Meeting is scheduled for 8:00 AM, August 18, 2023 using Zoom.

## Resident and Community Services Committee

July 20, 2023

12:00 Hybrid/Zoom Meeting

Present: Jan Schorr, chair, Scott Fisher, Jay Mactas, Ondalee Kline, Jamie Sarche, Dr. Aaron Greenstein, Debra Schuster, Diane McFail, Dr. Jacki Stern Bellowe, Gerri Persin, Doug Krug, and Katie Barbier. Staff: Mandie Birchem, Connie Moore, Michael Klein, and Tracy Kapaun

Jan welcomed everyone to the meeting and confirmed those on Zoom could hear what was being discussed. Since there were several new members, Jan asked that everyone introduce himself or herself.

She asked for the previous minutes to be approved. Ondalee noted there was an error in the previous minutes; no dollar amount was included in the Daniels Fund Grant. Michael advised the amount of \$50k and Jan indicated the minutes would be corrected. Ondalee moved to approve the minutes as amended with Doug Krug seconding the motion. Minutes were approved.

Michael provided the group with a description of what the committee does. He noted that the committee serves at the discretion of the chairperson of the board; however, it is a long-standing committee. He emphasized the purpose of the committee was to enhance the lives of the residents focusing on activities and health & wellness programs. He summarized several initiatives the committee has initiated for the residents including reviewing resident satisfaction surveys developing non-smoking rules, updates on COVID and construction and security initiatives

Katie provided a resident council update. She advised there are many programs that the council have started to help the residents enhance their living experience at Kavod. Some of the programs are: an upcoming dog show in August; a cookbook fundraiser; library committee as well as a safety committee and a recycle committee. Michael notes that Katie will be the resident council liaison to the Board of Director Meetings.

Genny Hale, who is the volunteer coordinator as well as the data analyst, presented the results from the activities and health & wellness resident program survey. She provided a written update, which is attached. She advised that 22% of the residents responded to the survey. It was noted that residents get the majority of their information regarding programs from the monthly activities calendar, flyers and bulletin boards. Residents suggest the following Improvements to the programming:

- Increase participation in activities and programs by reducing language and disability (visual, hearing mobility and mental) barriers

- Additional IT help through Senior Planet and use of volunteers

- Building more religious spirituality

Connie provided an update on the Murnick Family Grant. She advised that we have funding for education/food programs. We have completed four programs and in the coming months will have programs/foods from Greece, Turkish/American; France and China.

Michael gave an update on grants we have received. He advised we received \$5,000 from 100 + Jews Who Care for mental health programs including having Dr. Aaron Greenstein provide consultation for our care coordinators.

Tracy advised that construction is almost done. We are in the final stages of work and hope to have the final three city inspections by the end of September. She also noted that currently there are no COVID cases on the premises.

Michael advised staff is currently looking at having preferred home health care provider services for the residents, a request for proposal has been sent out, and we have received responses back.

The group asked how to make the activity programs more affordable so more residents could join as well as how to help with food insecurity for our residents. Connie mentioned several areas already being done to address this.

With no additional items to be discussed, Jan thanked everyone for attending the meeting and adjourning it a little after 1:00 p.m.